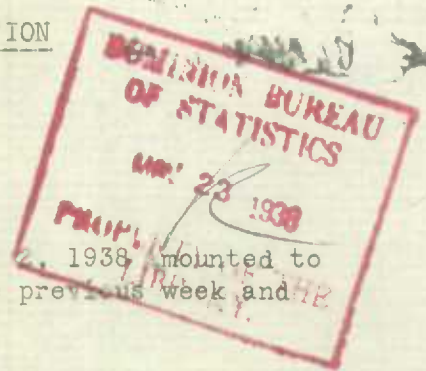


WEEKLY SUMMARY OF THE WHEAT SITUATION

April 6, 1938

International Trade:

World shipments for the week ending April 2, 1938, amounted to 9,820,000 bushels compared with 9,167,000 bushels in the previous week and 12,048,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1937 to April 2, 1938 were 344,083,000 bushels compared with 422,880,000 bushels for the same period in 1936-37.

Primary Movement:

Receipts at country elevators and platform loadings for the week ending April 1, 1938 were 606,965 bushels, compared with 742,325 bushels in the previous week and 1,327,371 bushels in the corresponding week a year ago.

Cumulative receipts at country elevators and platform loadings from August 1, 1937 to April 1, 1938 were 111,220,866 bushels, compared with 150,766,255 bushels for the same period in 1936-37.

Visible Supply:

The visible supply of Canadian wheat on April 1, 1938 was 44,508,510 bushels, compared with 44,814,360 bushels in the previous week, and 82,365,779 bushels a year ago.

Export Clearances:

Overseas export clearances of Canadian wheat for the week ending April 1, 1938 were 399,104 bushels, compared with 960,804 bushels for the previous week and 1,275,402 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 1, 1938 were nil compared with 3,000 bushels for the previous week and 432,000 bushels for the corresponding week in 1937.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1937 to April 1, 1938 were 58,477,853 bushels, compared with 142,414,559 bushels for the same period in 1936-37.

Prices:

The Winnipeg cash closing price of No. 1 Northern on Tuesday, April 5, 1938 was \$1.48 5/8 showing a decrease of 4 1/8 cents from the previous Tuesday's close of \$1.52 3/4.

1. United States Winter Wheat Crop Prospects

Private forecasts of the United States winter wheat crop as of April 1 ranged from 692 to 755 million bushels, and averaged 717 millions. Thus at the present time a larger winter crop is indicated than the 685 million bushels harvested last year.

The current private estimates of a distinctly bearish nature had been partly anticipated by the trade and were reflected in the recent price declines.

The writer has just returned from a field trip through Kansas which contains about one-third of the United States winter wheat area. In eastern Kansas the soil moisture is adequate and the growth due to warm weather has been almost too rapidly advanced. As a result of a heavy rain early last week varying from .3 to 1 inch, the soil moisture in central and western Kansas was improved, and the average depth of soil moisture is now approximately 24 inches. This reserve is still not sufficient to support the crop during the filling stage in late May if additional rains at that time fail to occur. Assuming normal rainfall, however, the potentialities exist for a very heavy yield in Kansas, and the "bearish" forecasts of the private reporters appear to be justified.

2. Prospects in the Prairie Provinces

The spring season is early in the Canadian west, and there have already been scattered reports of seeding. The fairly general snows and rains which fell on March 27 and 28 provided nearly an inch of precipitation over the drier areas of central western Saskatchewan as well as southern Alberta. Altogether the moisture conditions at time of seeding this year will be the best in several years. Although more so than in the United States winter wheat belt, rain at regular intervals during the growing season will be needed to make a full crop in the Prairie Provinces this year. The official report on acreage "intentions" will be released on May 10.

3. The Italian Wheat Crop Outlook

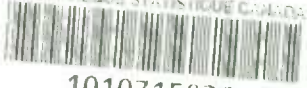
The following paragraphs are taken from a letter dated March 24, and forwarded by the Canadian Government Trade Commissioner at Milan:

"It is still too early to give a definite opinion on the position of the Italian wheat crop, but I thought preliminary information might be of use to you. The damage caused by the heavy rains in November last is said to be not so great as was thought. However, in the central part of Italy, undoubtedly owing to the torrential rains, the seed was carried away in certain areas. The bad weather in November caused a delay in sowing in the North, and such wheat as was not sown in 1937 on account of the rains, was sown at the beginning of the present year. In certain areas, frost also has caused slight damage. At the present time, however, the general conditions of the wheat appear to be fairly good. What is needed now is rain. No doubt the fact that we have had practically no snow this year will influence the crop in the North, as the Lombardian farmer needs three falls of snow, according to an old saying.

"The "Consortio" as an official organ is, of course, much more optimistic. They inform me that the area under wheat this year is less by about 494,218 acres than that planted last year. If we take the official figures of the 1936-1937 crop as 12,602,559 acres, the 1937-38 area will run around 12,108,341 acres. The fields are undoubtedly dry, but I believe rain is imminent. The "Consortio" state that they think the crop will be around 275,573,250 bushels. I do not think it will exceed that, and I believe it will be less. You will remember that the 1937 wheat crop was 295,781,955 bushels. Further information about this crop has come to hand, showing that the specific weight of the 1937 wheat crop was very low, running only 59.3 lbs. per bushel".

Broomhall on April 5 advised that it is very dry in the north of Italy and that some observers fear a 25 per cent reduction in wheat yields. There are also some complaints of dryness in France.

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