

WEEKLY SUMMARY OF THE WHEAT SITUATION

January 11, 1939.

International Trade

World shipments for the week ending January 7, 1939 amounted to 7,210,000 bushels compared with 10,109,000 bushels in the previous week and 7,856,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1938 to January 7, 1939 were 246,463,000 bushels compared with 214,072,000 bushels for the same period in 1937-38.

Primary Movement

Receipts at country elevators for the week ending January 6, 1939 were 638,738 bushels as compared with 1,303,730 bushels for the previous week and 886,353 bushels for the corresponding week a year ago.

Cumulative receipts at country elevators from August 1, 1938 to January 6, 1939 were 255,194,251 bushels, compared with 99,161,599 bushels in the same period in 1937-38.

Visible Supply

The visible supply of Canadian wheat on January 6, 1939 was 165,988,882 bushels, compared with 169,086,599 bushels in the previous week and 56,662,351 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending January 6, 1939 were 1,879,141 bushels, compared with 1,290,400 bushels for the previous week and 883,805 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 January 6, 1939 were 177,000 bushels as compared with 109,000 bushels for the previous week and 16,000 bushels for the corresponding week in 1938.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1938 to January 6, 1939 were 74,104,484 bushels, compared with 45,703,174 bushels for the same period in 1937-38.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, January 10, 1939 was 59 cents, showing a decrease of 2 5/8 cents from the previous Tuesday's close of 61 5/8 cents.

WORLD EVENTS

1. Market Conditions:

Wheat prices in the principal markets have eased approximately 2 cents between January 3, and January 10. There has been general absence of any new significant developments. Traders during the past week have been hesitant about the United States winter wheat conditions because of predictions for light precipitation in the drier areas. A rumour that the Argentine Government had concluded direct sales of Argentine wheat to the United Kingdom mills has still been unconfirmed although fair credence has been given to it. Apart from this factor, the Argentine Government has not been pressing sales on the Liverpool c.i.f. market, and the lack of expected pressure has been helpful in maintaining prices there. On the other hand, Uruguay is offering wheat, c.i.f. Liverpool about 4 cents under Argentine Rosafe.

Broomhall places the Argentine export surplus at 204 million bushels. That this large surplus has not led to selling pressure is attributed by Broomhall to the fact that Argentina has trade agreements with European countries favourable to the selling of Argentine wheat without offering stiff price competition. If Argentina can also get her "fair share" of the United Kingdom market, there is no need for the Argentine Government to break prices. These factors are behind the apparent willingness of the Argentine Government to co-operate with other exporting countries in preventing a further price break.

2. Wheat Advisory Committee:

The International Wheat Advisory Committee convened in London on January 10. The business of the first day was occupied mainly in arrangements for a new chairman to be appointed in the place of the United States Ambassador to Great Britain, and in the discussion of reports on nutrition and industrial uses for wheat. Press reports indicated that discussion on a recommendation for a new international wheat agreement will take place today.

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