

WEEKLY SUMMARY OF THE WHEAT SITUATION

OCTOBER 5, 1939

International Trade

World shipments for the week ending September 30, 1939 amounted to 8,541,000 bushels compared with 7,613,000 bushels in the previous week and 10,880,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to September 30, 1939 were 80,954,000 bushels compared with 97,896,000 bushels for the same period in 1938.

Primary Movement

Primary receipts of wheat for the week ending September 29, 1939 were 38,288,537 bushels as compared with the revised figure of 37,796,057 bushels for the previous week and 30,241,394 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to September 29, 1939 were 221,164,261 bushels compared with 161,892,518 bushels in the same period in 1938.

Visible Supply

The visible supply of Canadian wheat on September 29, 1939 was 286,426,861 bushels compared with 254,943,864 bushels in the previous week and 153,470,967 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending September 29, 1939 were 1,901,877 bushels, compared with 4,557,612 bushels for the previous week and 4,822,415 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 September 8, 1939 were 267,000 bushels as compared with 207,000 bushels for the previous week and 328,000 bushels for the corresponding week in 1938.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1939 to September 29, 1939 were 21,990,792 bushels, compared with 20,836,688 bushels for the same period in 1938.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, October 3, 1939 was 68 3/4 cents, showing a decrease of 3 1/8 cents from the previous Tuesday's close of 71 7/8 cents.

WORLD EVENTS

1. United States Drought

B. W. Snow commented on October 4 as follows:

"The moisture situation over the winter wheat area east of the Rocky Mountains is highly unfavorable at date of seeding for the 1940 crop. Lack of rainfall during the first four weeks of September was experienced in the Ohio Valley States and over the winter wheat territory west of the Mississippi River. Over the greater part of the wheat acreage in the Southwest the months of July and August combined showed less than normal moisture. The three months in question have failed to bring enough moisture to replenish subsoil deficiency due to current plant growth. The serious September drought and record heat have not only shortened current crop yields but added to the lack of normal rainfall for July and August in the Southwest, they have created there a soil and moisture condition that threatens next year's wheat crop in the great semi-arid wheat belt west of the Missouri River. Rainfall of the period July-September is the foundation of the Southwest wheat crop and this year subsoil moisture has been so small that only a limited amount of seeding has been accomplished over this dominant wheat acreage. Unless there is excessive rainfall during the next four weeks over the Southwest area, we will face a coming crop failure in the hard winter wheat territory. Normal moisture will not suffice to meet the situation that now exists."

2. German Wheat Production

The German wheat crop including the areas of Germany, Austria, and Sudetenland is officially estimated at 205,173,000 bushels. Last year's production including Austria but excluding Sudetenland amounted to 221,163,000 bushels. German and Austrian consumption requirements are normally 225 million bushels. Within the past two weeks Germany arranged for the import of 20 million bushels of wheat from Roumania. Accordingly existing carry-over and security stocks will not need to be drawn upon during the present crop year.

3. British Convoy System

The Globe and Mail on September 29 in a Montreal despatch stated that convoyed vessels loaded with wheat, metals, manufactured goods and other products are leaving the Atlantic coast at regular intervals and every ship is arriving safely in British ports.

The despatch adds: "The grain movement is perhaps the most important. Britain quickly organized her convoy system, and the first successful convoy has arrived in Great Britain, it was learned here today. It consisted of 15 freighters, loaded in all with half a million bushels of grain. There have been others since and, according to the best of information, not one has been menaced by German submarines."

---





1010715102