

22-D-02

WEEKLY SUMMARY OF THE WHEAT SITUATION

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February 9, 1939International Trade

World shipments for the week ending February 4, 1939 amounted to 13,741,000 bushels compared with 12,619,000 bushels in the previous week and 10,992,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1938 to February 4, 1939 were 295,624,000 bushels compared with 256,624,000 bushels for the same period in 1937-38.

Primary Movement

Receipts at country elevators for the week ending February 3, 1939 were 998,272 bushels as compared with 1,209,937 bushels for the previous week and 572,589 bushels for the corresponding week a year ago.

Cumulative receipts at country elevators from August 1, 1938 to February 3, 1939 were 259,542,621 bushels compared with 104,334,217 bushels in the same period in 1937-38.

Visible Supply

The visible supply of Canadian wheat on February 3, 1939 was 156,621,798 bushels compared with 159,969,258 bushels in the previous week and 52,210,581 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending February 3, 1939 were 2,690,034 bushels, compared with 1,606,337 bushels for the previous week and 1,194,659 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 February 3, 1939 were 228,000 bushels as compared with 217,000 bushels for the previous week and 2,000 bushels for the corresponding week in 1938.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1938 to February 3, 1939 were 83,603,061 bushels, compared with 50,512,934 bushels for the same period in 1937-38.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, February 7, 1939 was 59 1/2 cents, showing a decrease of 3/8 of a cent from the previous Tuesday's close of 59 7/8 cents.

## WORLD EVENTS

### 1. Market Conditions

Winnipeg prices have shown only fractional losses during the past week. The eased European situation has contributed to bearishness, and new export sales to Europe from the major exporting countries have been slow. On Monday it was disclosed that world wheat shipments for the previous week had totalled 13,741,000 bushels, marking a further increase in the weekly volume of world shipments. Wheat supplies afloat to Europe are now 39,328,000 bushels, an increase of 16.5 million bushels compared with a month earlier, and overseas buyers may show some reluctance toward new purchases while these afloat supplies continue heavy. Argentine shipments reached a peak for the current season last week at 3,769,000 bushels.

Featuring the past week have been the further Australian and United States sales to the Orient. Vladivostok is reported to have taken from 12 to 14 cargoes, of which 8 were from Australia and the balance from the United States. Australia has also sold 4 cargoes to Shanghai. These ex-European sales usually give rise to proportionate bullish sentiment in Liverpool.

Crop information was mixed during the week. Renewed confirmation has been given to the frost damage in north-western Europe, but the rainfall in the Punjab at the end of January is reported to have rendered the growing crop condition much better.

### 2. Broomhall's Revised Estimates of Importers' Requirements, and Shipments by Countries, 1938-39 Season.

On February 1, Broomhall issued the following revised estimates, shown in comparison with his preliminary estimates:

| <u>Importers' Requirements</u>          | <u>Revised</u>     | <u>Preliminary</u> |
|---|--------------------|--------------------|
| Europe                                  | 436,000,000        | 440,000,000        |
| Non-Europe                              | 132,000,000        | 108,000,000        |
|   | <u>568,000,000</u> | <u>548,000,000</u> |
| <u>Estimated Shipments by Countries</u> |                    |                    |
| United States                           | 88,000,000         | 56,000,000         |
| Canada                                  | 144,000,000        | 144,000,000        |
| Argentina and Uruguay                   | 116,000,000        | 112,000,000        |
| Australia                               | 88,000,000         | 96,000,000         |
| Russia                                  | 40,000,000         | 40,000,000         |
| Danube                                  | 76,000,000         | 80,000,000         |
| Other Countries                         | 16,000,000         | 20,000,000         |
|   | <u>568,000,000</u> | <u>548,000,000</u> |

According to the present estimate, world shipments are now placed 20 million bushels higher than in the August estimate. European requirements are reduced by 4 millions and requirements of non-European importers are increased by 24 million bushels. The estimate for United States shipments has been raised 32 millions, due to the operation of the export subsidy programme since the August estimate was made. The estimate for Canadian shipments has been left unchanged at 144 million bushels. In view of the Canadian export movement to date this figure appears very conservative for Canada, with the Dominion Bureau of Statistics estimate placed at 160 million bushels.

### 3. United States Winter Wheat Crop.

The Extension Service of Kansas State College stated on February 6, that "Rain and snow over much of the Southwest relieved drought conditions somewhat in that area. If precipitation is normal during the remainder of the crop season, it still will be possible to have a normal crop." A cold wave over the winter wheat belt on February 8 caused some new apprehension.





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