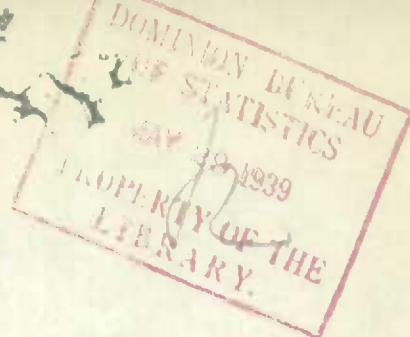


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WEEKLY SUMMARY OF THE WHEAT SITUATIONMay 11, 1939.International Trade

World shipments for the week ending May 6, 1939 amounted to 10,933,000 bushels compared with 11,603,000 bushels in the previous week and 10,000,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1938 to May 6, 1939 were 441,392,000 bushels compared with 398,224,000 bushels for the same period in 1937-38.

Primary Movement

Receipts at country elevators for the week ending May 6, 1939 were 815,874 bushels as compared with the revised figure of 1,079,917 bushels for the previous week and 688,700 bushels for the corresponding week a year ago.

Revised cumulative receipts at country elevators from August 1, 1938 to May 5, 1939 were 273,043,328 bushels compared with 116,465,314 bushels in the same period in 1937-38.

Visible Supply

The visible supply of Canadian wheat on May 5, 1939 was 135,418,800 bushels compared with 134,915,765 bushels in the previous week and 39,482,993 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending May 5, 1939 were 1,567,664 bushels, compared with 774,188 bushels for the previous week and 627,798 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 May 5, 1939 were 251,000 bushels as compared with 222,000 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 May 5, 1939 were 103,395,293 bushels, compared with 61,046,719 bushels for the same period in 1937-38.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, May 9, 1939 was 66 3/4 cents, showing an increase of 1 3/4 cents over the previous Tuesday's close of 65 cents.

WORLD EVENTS

Owing to substantial shipments from the Argentine again this week and with navigation open on the Great Lakes in North America with several wheat parcels already cleared out of Montreal, it is expected that World shipments will approximate eleven million bushels again.

Imports of wheat into Europe and non-European countries are already 40 million bushels higher than last year because of the heavy imports by China and the building up of reserve stocks in several European countries. Canada has furnished most of this increase in shipments this year and Argentina also has exported more, but Australian shipments are lower. Australia is paying equivalent to 97 cents a bushel for about 33,000,000 bushels of wheat for home consumption while 48 cents a bushel is paid for wheat for export. An excise tax on flour consumed will help defray the cost of about \$17,000,000.

A Sydney correspondent cables that it is estimated that 10,500,000 bushels of Australian wheat and wheat flour are earmarked for export to non-European (principally China) between now and the end of July. With the total surplus still available from Australia estimated at approximately 52,000,000 bushels on April 28, 42,000,000 bushels are still available for export to other destinations between now and the end of November when the new crop starts to move. This is considered a small available supply.

There are expectations that Great Britain might build elevators to store the 80 million bushels of American wheat offered in exchange for rubber and tin and in this way remove some of the world's wheat surplus. The United States could not export wheat at the prevailing futures prices without the American subsidy. The American Government absorbs 25 to 30 cents a bushel of the price. The farmers have been able to get rid of 86,195,000 bushels from July 1 up to April 29, 1939, with more sold to go out later on. If the F.S.C.C. should cease subsidizing wheat exports, the importing countries would have to turn to Canada and the Argentine, the only two countries left with any quantity of free wheat available for export.

It is reported that beneficial rains were received over the winter wheat belt during the week-end and saved the American crop from serious deterioration. The April 1 official estimate made the crop 549,000,000 bushels. The Federal Surplus Commodities Corporation is not offering any American wheat for export at present as it is necessary to wait definite news about the new crop.

Belgium Millers need grind only 20 per cent of domestic wheat in their mixture and according to Broomhall the quota is liable to be abolished soon. It is necessary for millers to maintain a permanent wheat reserve of 3 million bushels.

India No upward revision is expected in the Indian wheat estimate of 344,000,000 bushels which is a decrease of 58 million bushels from last year's bumper crop. Home needs are generally around 335 million bushels depending upon native food crops. Rice and other derivative crops were smaller this year by 3½ million tons. Exports of wheat are therefore very unlikely this season and although the import duty has been re-imposed at 28 cents per bushel until March 31, 1940 it is possible that imports will be made. The season in India commences on April 1st and no exports have been made so far. Last season the wheat exports totalled 10 million bushels.

The wheat crop in the British Isles is not expected to be as large as that of 1938 when a record production of over 80 million bushels was gathered. The average production in the British Isles, excepting 1938, has been 67 million bushels (1933-37). Farmers are being induced to grow wheat by the Wheat Act, which obliges millers to mix a certain proportion of the home-grown wheat in their mixtures and pay for this at a fixed price, the cost of the subsidy to be defrayed by an excise tax on flour. Stocks of wheat held in the ports of the United Kingdom have increased again and now total 24,120,000 bushels compared with 9,550,000 bushels last year.

Continental arrivals of the past week of 3,600,000 bushels included 1,480,000 bushels to Spain. This is part of the 14,700,000 bushels bought in Argentina recently.

Source: Broomhall's Corn Trade News.

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