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WEEKLY SUMMARY OF THE WHEAT SITUATION

JANUARY 4, 1940

International Trade

World shipments for the week ending December 30, 1939 amounted to 8,617,000 bushels compared with 9,076,000 bushels in the previous week and 10,192,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to December 30, 1939 were 192,553,000 bushels compared with 239,336,000 bushels for the same period in 1938.

Primary Movement

Primary receipts of wheat for the week ending December 29, 1939 were 1,451,773 bushels as compared with the revised figure of 2,911,136 bushels for the previous week and 1,338,021 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to December 29, 1939 were 362,523,260 bushels compared with 254,503,119 bushels in the same period in 1938.

Visible Supply

The visible supply of Canadian wheat on December 29, 1939 was 349,249,102 bushels compared with 352,621,802 bushels in the previous week and 169,086,599 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending December 29, 1939 were 3,109,406 bushels, compared with 2,830,486 bushels for the previous week and 1,109,866 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 December 29, 1939 were 42,000 bushels as compared with 123,000 bushels for the previous week and 108,000 bushels for the corresponding week in 1938.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1939 to December 29, 1939 were 59,245,820 bushels, compared with 71,822,548 bushels for the same period in 1938.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, January 2, 1940 was 86 $\frac{5}{8}$ cents, showing an increase of 1 $\frac{5}{8}$ cents over the previous Wednesday's close of 85 cents.

WORLD EVENTS

1. Market Conditions

The Winnipeg May future has gained almost 2 cents between December 27 and January 3. Speculative activity was quiet through the holiday week but new investment buying was noted on January 2. Canadian export sales continued light during the past week, with daily volumes ranging from 200,000 to 300,000 bushels. On January 3 export sales of 500,000 bushels were reported, including a cargo sold to the United Kingdom. In United States markets a good domestic mill demand is reported.

2. Withdrawal of United States Subsidy

On December 29, the United States Department of Agriculture announced the suspension of the wheat and flour export subsidy programs, except for Pacific north-west flour exports to the Philippines. With United States domestic wheat prices decidedly out of export line, and the export subsidy program discontinued, the United States will undoubtedly remain out of the wheat export business for the balance of the 1939-40 marketing season, and is also likely to have no export surplus for the 1940-41 season.

3. United States Weather Conditions

Over the Christmas week-end the hard winter wheat belt received a good snow covering which occasioned some bearishness marketwise. The "Modern Miller" refers to the heaviest December snowfall in years as allaying apprehension of further deterioration. On the other hand, R. O. Cromwell, private crop observer says:

"The recent snows are of value to wheat as a protection against cold and as a temporary check against soil drifting. In dry soil about four inches moisture is necessary before storage at below the evaporation level can begin. If dormant seed is germinated as a result of this moisture during a mild spell, there is great danger of these sprouts and seedlings being killed by following low temperatures. I personally would prefer to take a chance of fields lying dry and ungerminated until March."

4. Argentine Crop Estimate

Following the first official estimate in mid-December of the Argentine wheat crop of 146,960,000 bushels, the Banca Nacional in Buenos Aires released an estimate of 114,000,000 bushels on December 29. While this latter extremely low estimate took markets by surprise, Broomhall advises that the Argentine crop is in all probability underestimated.

5. World Shipments, 1939-40

Broomhall has recently reduced his estimate of world shipments for the 1939-40 crop season from 584 to 560 million bushels.
