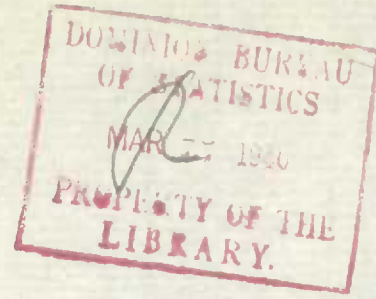


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WEEKLY SUMMARY OF THE WHEAT SITUATION

FEBRUARY 29, 1940



International Trade

World shipments for the week ending February 24, 1940 amounted to 9,011,000 bushels compared with 7,540,000 bushels in the previous week and 10,472,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to February 24, 1940 were 256,191,000 bushels compared with 332,176,000 bushels for the same period in 1938-39.

Primary Movement

Primary receipts of wheat for the week ending February 23, 1940 were 1,340,798 bushels as compared with the revised figure of 1,414,251 bushels for the previous week and 581,247 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to February 23, 1940 were 371,792,117 bushels compared with 261,140,216 bushels in the same period in 1938-39.

Visible Supply

The visible supply of Canadian wheat on February 23, 1940 was 325,767,681 bushels as compared with 330,024,046 bushels in the previous week and 148,787,720 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending February 23, 1940 were 2,811,328 bushels, compared with 2,767,111 bushels for the previous week and 1,550,175 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 23, 1940 were 232,000 bushels as compared with 186,000 bushels for the previous week and 146,000 bushels for the corresponding week in 1939.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1939 to February 23, 1940 were 86,181,285 bushels, compared with 88,415,658 bushels for the same period in 1938-39.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, February 27, 1940 was 85 7/8 cents, showing a decrease of 1/8 of a cent from the previous Tuesday's close of 86 cents.



WORLD EVENTS

1. Market Conditions

Winnipeg prices dipped slightly over the week end and on Monday or Tuesday, but by Wednesday this week were back at 89 1/2 cents for the May future, at exactly the same level as the previous Wednesday's close. The Chicago market, on the other hand, reacted rather sharply on Saturday and Monday. The Chicago May future closed at \$1.06 (American) on Friday, February 23, but by Monday, February 26, had declined to \$1.02 1/2. From Wednesday, February 21, to Wednesday February 28, Chicago May registered a net decline of 2 cents.

Part of the Chicago weakness was due to realizing sales, following the recent upswing in prices. Liquidation of loan wheat, however, has also been a factor, with substantial hedging sales of wheat withdrawn from loan reported to have taken place. With Chicago prices at present levels, there has been some offering of Pacific coast wheat for delivery to central United States areas. Weather conditions for the United States winter wheat crop at the present time are reported as favourable as at any time since the crop was seeded. In Texas, Oklahoma, and southern Kansas, the wheat is emerging from the dormant state. Rain and snowfall within the past fortnight have provided useful supplies of top soil moisture.

Part of the Winnipeg strength as compared with Chicago has been due to some substantial sales of wheat for export. On February 26, sales of 2,000,000 bushels mostly to the United Kingdom were reported. On February 27, the volume of export sales was reported at 600,000 bushels, while on February 28, a business of 5,000,000 bushels, largely to the United Kingdom from eastern positions was also reported.

2. Australian Wheat Crop

A private report on February 26 suggested that Australian traders are reckoning on a total of 250,000,000 bushels from this year's crop, as contrasted with the official estimate of 210,448,000 bushels. This opinion was based on the rate of marketings to date. Marketings may be taking place more rapidly than usual this year, however, because of the fixed price to growers. In previous years Australian growers were reported as holding back deliveries for better prices.



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