

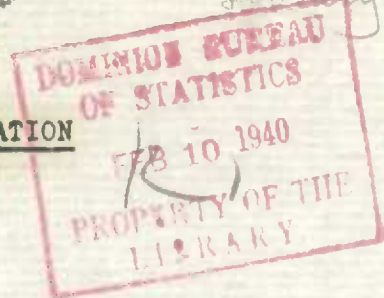
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WEEKLY SUMMARY OF THE WHEAT SITUATION

FEBRUARY 8, 1940



International Trade

World shipments for the week ending February 3, 1940 amounted to 7,939,000 bushels compared with 10,605,000 bushels in the previous week and 14,272,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to February 3, 1940 were 224,396,000 bushels compared with 296,088,000 bushels for the same period in 1938-39.

Primary Movement

Primary receipts of wheat for the week ending February 2, 1940 were 853,504 bushels as compared with the revised figure of 796,451 bushels for the previous week and 1,062,065 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to February 2, 1940 were 367,714,870 bushels compared with 259,651,965 bushels in the same period in 1938-39.

Visible Supply

The visible supply of Canadian wheat on February 2, 1940 was 335,636,331 bushels as compared with 336,358,438 bushels in the previous week and 156,621,798 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending February 2, 1940 were 4,163,982 bushels, compared with 4,385,832 bushels for the previous week and 2,716,171 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 2, 1940 were 140,000 bushels as compared with 193,000 bushels for the previous week and 228,000 bushels for the corresponding week in 1939.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1939 to February 2, 1940 were 77,482,851 bushels, compared with 83,630,789 bushels for the same period in 1938-39.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, February 6, 1940 was 82 cents, showing an increase of  $\frac{5}{8}$  of a cent over the previous Tuesday's close of  $81 \frac{3}{8}$  cents.

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## WORLD EVENTS

### 1. Market Conditions

A slight improvement was recorded in Winnipeg and Chicago futures between January 31 and February 7. The Winnipeg May future gained  $\frac{3}{4}$  cent from  $81 \frac{3}{8}$  to  $82 \frac{1}{8}$  cents between these two dates, while Chicago May was up  $1 \frac{5}{8}$  cents from  $96 \frac{1}{2}$  to  $98 \frac{1}{8}$  cents. During the week Kansas and Nebraska enjoyed a good snowfall, but precipitation was insufficient in Oklahoma and Texas. On the other hand, a United States Department of Agriculture report emphasized European damage from winter killing due to the exceptionally cold weather during January. Against a prospective increase in the production estimate for Australia, it was considered likely that the Argentine wheat estimate would be reduced. Prospects are bright for a better than average corn crop in the latter country, however. Canadian wheat enjoyed a fair volume of export business during the week, with neutral countries the principal buyers, although on February 2, 750,000 bushels were reported sold to the United Kingdom. Weather conditions for the Indian wheat crop now growing continued favourable with good rains reported during the week.

### 2. United States Loan Wheat Stocks

The Commodity Credit Corporation reported loan wheat stocks as of January 15 at 156,135,176 bushels. This is a reduction of almost 10 million bushels from the 165,967,733 bushels reported under loan as of December 26, 1939. Heavier withdrawals from loan are expected prior to the April 30 maturity date.



United States

A slight improvement was recorded in Chicago and Chicago futures between January 21 and February 7. The Chicago May future gained 1/8 cent from 1 1/8 to 1 3/8 cents. Between these two dates, while Chicago May was up 1 3/8 cents, the May 1964 contract was down 1/8 cent. During the week Kansas and Nebraska enjoyed a good harvest, but production was insufficient in Oklahoma and Texas. On the other hand, a United States Department of Agriculture report emphasized European damage from winter killing due to the exceptionally cold weather during January. Against a progressive increase in the production estimate for Australia, it was considered likely that the Argentine wheat estimate would be reduced. Prospects are bright for a better than average crop in the Indian country. However, Canadian wheat enjoyed a fair volume of export business during the week, with several countries the principal buyers, although on February 5, 750,000 bushels were reported sold to the United Kingdom. Market conditions for the Indian wheat crop were becoming unsettled. Favorable crop conditions reported during the week.

United States Loan Wheat Stocks

The January Census Commission reported loan wheat stocks as of January 15 at 1,357,195 bushels. This is a reduction of about 10 million bushels from the 1,367,295 bushels reported under loan as of December 22, 1963. Heavier shipments from loan are expected prior to the April 30 maturity date.