



2-2-005
22-D-02
Historical File Copy

WEEKLY SUMMARY OF THE WHEAT SITUATION

MARCH 14, 1940

International Trade

World shipments for the week ending March 9, 1940 amounted to 10,896,000 bushels compared with 7,230,000 bushels in the previous week and 9,128,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to March 9, 1940 were 274,326,000 bushels compared with 354,648,000 bushels for the same period in 1938-39.

Primary Movement

Primary receipts of wheat for the week ending March 8, 1940 were 1,483,127 bushels compared with the revised figure of 1,342,787 bushels for the previous week and 1,350,226 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to March 8, 1940 were 374,708,292 bushels compared with 263,758,248 bushels in the same period in 1938-39.

Visible Supply

The visible supply of Canadian wheat on March 8, 1940 was 317,561,177 bushels as compared with 319,845,204 bushels in the previous week and 145,098,241 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending March 8, 1940 were 4,618,474 bushels, compared with 4,359,780 bushels for the previous week and 1,369,336 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 March 8, 1940 were 297,000 bushels as compared with 167,000 bushels for the previous week and 193,000 bushels for the corresponding week in 1939.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1939 to March 8, 1940 were 95,722,196 bushels, compared with 92,663,100 bushels for the same period in 1938-39.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, March 12, 1940 was 86 1/4 cents, showing a decrease of 5/8 of a cent from the previous Tuesday's close of 86 7/8 cents.

WORLD EVENTS

1. Market Conditions

Both Winnipeg and Chicago markets reflected the negotiations and conclusion of the Russo-Finnish peace agreement, this being the principal outside development of the week. So far as the United States winter crop is concerned, reports of private observers during the week were more bullish in tone than the private estimates of condition reported a week ago. Current reports have emphasized acreage abandonment up to 50 per cent in Oklahoma and Kansas. Against these reports, receipt of current moisture has been offsetting. Kansas received some precipitation on March 7, while on March 12 good rains and snows occurred in the drier parts of Oklahoma and Kansas. Between the close on March 6 and on March 13 both the Winnipeg and Chicago futures lost 1 3/4 cents. Winnipeg May declined from 89 3/8 to 87 5/8 cents over the week, and Chicago May declined from \$1.03 3/8 to \$1.01 5/8.

2. United States Winter Wheat Reports

E.W. Erickson on an inspection trip through Oklahoma stated on March 7 that 50 per cent of the winter wheat acreage in that state would be abandoned, and that the balance would be low-yielding. In Kansas on March 11, he stated that abandonment there would be of record proportions. A Broomhall report indicated 50 per cent abandonment for Kansas as well. Good precipitation in these states on March 12, however, was presumed to be beneficial.

3. European Crop Summary

Milder weather in the Balkans has led to expectations that navigation on the Danube will be resumed shortly. Crop conditions are below normal, and a private forecast of the winter wheat crop in Hungary was made at 77 million bushels, as against 112 millions last year. Wet weather is delaying seeding in northern Italy and Belgian crops have experienced freezing and thawing lately. There is little news of the Russian winter crop, although the winter-kill is expected to be above normal.

A normal crop is expected in India, where the acreage is now estimated at 33,189,000 compared with 32,492,000 acres a year ago.

4. United States Wheat Export Subsidy

On March 9, the United States Department of Agriculture announced that the wheat export subsidy would be renewed on Pacific Coast wheat to European destinations. This action is intended to help in the disposal of a regional surplus of 20 million bushels in the Pacific Northwest. This is the first wheat subsidy authorized since January 3, although subsidies have been paid on Pacific Coast flour consigned to the Philippines, Hong Kong and China in the interim. United States wheat from Gulf and Atlantic ports is excluded from the present subsidy.

5. United States Wheat Loan Liquidation Procedure Announced

On March 9, the United States Department of Agriculture announced that any wheat except farm-stored wheat in certain areas that is left remaining under loan on April 30, 1940 will be acquired by the Commodity Credit Corporation, under the terms of the loan agreements and chattel mortgages, and will be pooled and sold. All costs and expenses incurred in connection with the pooled wheat will be charged against the wheat; and if and when any net proceeds remain after the sale of all the wheat and the deduction of all loans, carrying charges, and all other costs and expenses, they will be distributed among the producers on a flat per bushel basis.

Extensions of 1939 loans beyond April 30, 1940 are limited to farm-stored wheat in the following area: Idaho, Minnesota, Montana, Nebraska, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

Of approximately 167,000,000 bushels of 1939 wheat upon which loans were made, 137,636,377 bushels still were held as collateral February 23, 1940. On that date farm-stored wheat in the ten states where loan extension is possible, totalled 22,915,753 bushels.



1010715126