

WEEKLY SUMMARY OF THE WHEAT SITUATION

MAY 2, 1940

International Trade

World shipments for the week ending April 27, 1940 amounted to 8,636,000 bushels compared with 8,251,000 bushels in the previous week and 11,600,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to April 27, 1940 were 368,107,000 bushels compared with 430,456,000 bushels for the same period in 1938-39.

Primary Movement

Primary receipts of wheat for the week ending April 26, 1940 were 1,251,701 bushels compared with the revised figure of 1,085,760 bushels for the previous week and 1,079,917 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to April 26, 1940 were 386,035,533 bushels compared with 272,227,454 bushels in the same period in 1938-39.

Visible Supply

The visible supply of Canadian wheat on April 26, 1940 was 301,351,776 bushels as compared with 304,357,658 bushels in the previous week and 134,915,765 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending April 26, 1940 were 3,425,776 bushels, compared with 3,097,585 bushels for the previous week and 759,321 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 April 26, 1940 were 292,000 bushels as compared with 149,000 bushels for the previous week and 222,000 bushels for the corresponding week in 1939.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1939 to April 26, 1940 were 120,357,649 bushels, compared with 101,537,456 bushels for the same period in 1938-39.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, April 30, 1940 was 88 3/4 cents, showing a decrease of 1 1/8 cents from the previous Tuesday's close of 90 5/8 cents.

WORLD EVENTS

1. Market Conditions

More favourable weather developments in the United States winter wheat belt, and a "last minute" rush of loan wheat liquidation prior to the April 30 expiry date, have depressed United States wheat markets during the past week. United States developments have also been reflected in the Winnipeg market. Between April 23 and April 30 the Chicago May future declined from \$1.11 1/2 to \$1.07 5/8 for a loss of 3 7/8 cents in American funds, while the Winnipeg May future dipped from 91 to 88 3/4 cents for a loss of 2 1/4 cents in Canadian funds. Buenos Aires prices rose independently during the week in keeping with the small available export supplies. Canadian export sales were not much more than one million bushels for the week, with sales confined to neutrals. Portugal was a notable new buyer, having taken a cargo for the first time in eight years. This was attributed to the scarcity of Argentine supplies.

2. United States Weather

Good moisture receipts in the principal areas of the United States winter wheat belt were reported on April 26, 27 and 29. The most recent private crop advices are inclined to put the Kansas production forecast in the neighbourhood of 75 million bushels, compared with the official April 1 forecast of 59.4 million bushels.

3. Australian Exports

Australian wheat and flour exports during February were officially reported at 7,201,000 bushels. The Australian surplus available for export or carry-over at March 1 amounted to 152,800,000 bushels.

4. Indian Export Offers

On April 27, Broomhall reported that offers were commenced on Indian Karachi wheat f.o.b. at the equivalent of 81 5/8 cents (United States funds). This price was only 8 1/2 cents under No. 2 Manitobas f.o.b. Montreal. With higher freight rates from Karachi, Broomhall predicted it would be hard to effect export sales at the price offered. India had previously been out of the export market since October 1938.

5. United States Private Crop Forecast

Mrs. E.H. Miller, private crop observer, issued a confidential report on April 29 that the United States winter wheat crop looks like more than, rather than under, 450 million bushels. The official April 1 forecast was 426 million bushels.

6. European Crop Conditions

Backward crop conditions are still reported from Russia and the Balkans. Italian prospects are good, but from what little information is available, both the German and French crops will be below last year's production.

