

22-805

22-D-02

WEEKLY SUMMARY OF THE WHEAT SITUATION

JUNE 12, 1940

International Trade

World shipments for the week ending June 8, 1940 amounted to 9,597,000 bushels compared with 9,782,000 bushels in the previous week and 14,840,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to June 8, 1940 were 428,883,000 bushels compared with 515,496,000 bushels for the same period in 1938-39.

Primary Movement

Primary receipts of wheat for the week ending June 7, 1940 were 2,228,506 bushels compared with the revised figure of 1,807,605 bushels for the previous week and 1,458,711 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to June 7, 1940 were 396,089,128 bushels compared with 279,299,963 bushels in the same period in 1938-39.

Visible Supply

The visible supply of Canadian wheat on June 7, 1940 was 279,624,235 bushels as compared with 281,527,647 bushels in the previous week and 113,116,732 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending June 7, 1940 were 3,448,117 bushels, compared with 2,977,398 bushels for the previous week and 2,387,030 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 June 7, 1940 were 188,000 bushels as compared with 195,000 bushels for the previous week and 197,000 bushels for the corresponding week in 1939.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1939 to June 7, 1940 were 145,466,867 bushels, compared with 120,341,792 bushels for the same period in 1938-39.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, June 11, 1940 was 74 3/4 cents, showing an increase of 1/2 a cent over the previous Tuesday's close of 74 1/4 cents.

WORLD EVENTS

1. Prairie Crop Conditions

Tuesday's telegraphic crop report summarized the present situation as follows:

"General improvement in crop prospects in the Prairie Provinces occurred during the past week as a result of rains and cool weather. In northern Manitoba and in central and northern Saskatchewan where moisture conditions were inadequate, rains brought relief to the crop at many points. Further rains in these parts are needed to bring the crop along. At several points in central Saskatchewan moisture conditions are still very poor and crops are making little progress. Grasshopper outbreaks in southern Manitoba, south-western Saskatchewan and south-eastern Alberta are threatening serious damage. In south-western Saskatchewan stubble crops have already suffered severely. Early wheat over the southern part of the prairies is stooling well and growth has been healthy. Coarse grain stands are not as satisfactory due to poor germination. Fields of fall rye are heading in central Manitoba."

On June 7, the Dominion Bureau of Statistics published a condition report giving the numerical condition of the wheat crop as of May 31. This year's condition for wheat in Canada and the Prairie Provinces was given as follows, with 100 representing the long-time average yield per acre:-

	<u>May 31, 1940</u>	<u>May 31, 1939</u>
Canada	96	94
Manitoba	98	94
Saskatchewan	94	92
Alberta	98	96

Accordingly the outlook up to May 31 was slightly more promising than at the same date a year ago. It will be remembered, however, that the heavy rains which made the bumper 1939 crop came during June.

2. United States Official Crop Estimates.

On June 10, the United States Department of Agriculture estimated the winter wheat crop at 488,858,000 bushels, and the spring wheat crop at 239,000,000 bushels, making a total United States wheat crop of 727,858,000 bushels. This estimate was identical with the average of private estimates of the winter wheat crop, and 5 million bushels higher than the average of private reports on the spring wheat crop.

In Chicago trading during the session on June 11, more attention appeared to be given to reports of black stem rust spreading through the late south-western crop, than to the official confirmation of improvement in the winter wheat crop during May.

3. Chicago withdraws pegs.

On June 11 the Chicago Board of Trade announced that minimum prices on grain futures would be abolished, effective at the opening of business, Friday, June 14.

Prior to the announcement there had been complaints that if futures remained pegged, and cash grain prices unpegged, elevator companies would be unable to hedge deliveries from farmers satisfactorily in the event that futures prices dropped to the pegged levels.

4. Winnipeg December future boarded.

On June 6 the council of the Winnipeg Grain Exchange authorized trading in December futures, with the minimum price for December wheat set at 74 5/8¢ per bushel.

---





1010715139