



WEEKLY SUMMARY OF THE WHEAT SITUATION

JULY 5, 1940

International Trade

World shipments for the week ending June 29, 1940 amounted to 8,135,000 bushels compared with 7,427,000 bushels in the previous week and 12,488,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1939 to June 29, 1940 were 452,138,000 bushels compared with 558,624,000 bushels for the same period in 1938-39.

Primary Movement

Primary receipts of wheat for the week ending June 28, 1940 were 3,948,638 bushels compared with the revised figure of 3,485,310 bushels for the previous week and 1,137,447 bushels for the corresponding week a year ago.

Revised cumulative receipts from August 1, 1939 to June 28, 1940 were 405,828,615 bushels compared with 282,623,955 bushels in the same period in 1938-39.

Visible Supply

The visible supply of Canadian wheat on June 28, 1940 was 281,046,123 bushels as compared with 279,897,499 bushels in the previous week and 103,793,604 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending June 28, 1940 were 2,763,682 bushels, compared with 811,924 bushels for the previous week and 2,732,455 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 28, 1940 were 141,000 bushels as compared with 106,000 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 28, 1940 were 151,487,250 bushels, compared with 128,976,994 bushels for the same period in 1938-39.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday, July 2, 1940 was 71 3/8 cents, showing an increase of 1/4 of a cent over the previous Tuesday's close of 71 1/8 cents.

WORLD EVENTS

1. Prairie Crop Conditions

Following is the summary paragraph of Wednesday's Telegraphic Crop Report:

Cool weather over the Prairies during the past week favoured crop development but precipitation varied considerably. Manitoba received well distributed local showers, while parts of central and northern Saskatchewan reported good rains. Only light scattered showers occurred in southern Alberta but in northern and eastern Alberta moderate to heavy rains improved crop conditions. About thirty per cent of the wheat is headed in Manitoba and heading is well started in Saskatchewan. Some premature heading has occurred in the Regina-Weyburn and central districts of Saskatchewan. Early wheat in Alberta has commenced to head. Grasshopper damage has been heavy in local areas in south-western Saskatchewan. Hail was reported in western Saskatchewan but little damage occurred. Generous rains are needed over many areas of southern and central Saskatchewan and in southern Alberta to maintain crop prospects. Live stock are generally doing well and pastures have benefited from the cool and showery weather.

2. United States Private Crop Estimates

On July 3, six private estimates of the United States winter wheat crop averaged 499 million bushels, while the estimates for the spring wheat crop averaged 222 million bushels. The winter wheat average represented an increase of 10 millions over the private estimates a month earlier, while the spring wheat average showed a reduction of 12 million bushels, leaving the total estimates only 2 million bushels lower than those released a month earlier.

3. United States Wheat and Wheat Flour Export Subsidy Programs Continued

On July 2, the Surplus Marketing Administration of the United States Department of Agriculture announced that the wheat and wheat flour export programs would be continued during the 1940-41 fiscal year. The wheat export program affects Pacific Coast exports to China, Hong Kong, Dairen, Philippine Islands and Europe; the wheat flour export program affects flour shipments from the Pacific Coast to the above destinations except Europe. No official confirmation was given to rumours that the export subsidy program would be extended to shipments from the Gulf to Central and South America.

4. Oriental Crop Situation

On July 2, the United States Department of Agriculture announced that the 1940 wheat crops of China, Japan and Manchuria are expected to total well below the average obtained prior to the outbreak of hostilities. The unfavorable prospects are attributed largely to a widespread spring drought, with lack of farm labor and inadequate fertilizer supplies in Japan also contributing factors. The opinion is expressed that unless crop prospects for rice improve materially, the demand for foreign wheat and flour in the Orient will probably continue, but the volume of importations during the new season will depend on many other factors, such as price considerations and foreign exchange.

5. World Wheat Supplies, 1940-41

On June 26, the United States Department of Agriculture published the following preliminary statement on the 1940-41 world supply situation:

"World wheat supplies for the year beginning July 1, 1940 may be 100 to 200 million bushels smaller than a year earlier, when they totaled 5,459 million bushels, the largest supply on record. As a result of the large world crop in 1939, the world carry-over on July 1, 1940 is expected to be about 250 million bushels larger than the estimated 1,189-million bushel carry-over on July 1, 1939, but the 1940 world crop may be reduced by between 350 and 450 million bushels from the estimated 1939 crop of 4,270 million bushels. Although information on which to base a June indication of world supplies is scantier than usual this year, the information available points to a reduction in world wheat acreage for the 1940 crop and smaller yields per acre in important European-producing areas. Production in the Northern Hemisphere may drop 400 to 500 million bushels below the estimated 3,866 million bushels harvested last year. Most of this reduction is in Europe. Production in the Southern Hemisphere, however, may possibly total about 50 million bushels more than the estimated 404-million bushel production a year earlier."



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