UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-2

August 18, 1927.

FOREIGN NEWS ON WHEAT

- - - - - -

WORLD WHEAT CROP AND MARKET PROSPECTS BASED ON REPORTS TO AUGUST 15, 1927

Reports continue to indicate that the world's wheat crop is likely to be about the same as last year. The northern hemisphere crop, exclusive of Russia, may be about from 50 to 100 million bushels greater than last year, but the southern hemisphere may produce about this much less than last year. Condition reports and estimates received to date indicate a crop in the northern hemisphere about 60 million bushels above last year. This figure may be raised later by an increase in the Canadian estimates. The total estimates of production in 23 countries reporting to date, including a statistical estimate from France, amounts to 2,508 million bushels compared with 2,475 million bushels produced in the same countries last year.

Should conditions in Canada continue favorable, the Canadian outturn will probably be larger than the August forecast. The August forecast has been revised upward in five out of the past six years. There remains do danger of drought but frost and rust may prevent the Canadian crop equaling last year's crop.

The European crop outside of Russia seems likely to be about 60 million bushels greater than last year. An element of uncertainty in the European situation is the recent storm damage in northern and northwestern Europe which has not yet been evaluated. This damage appears to have been heaviest in France. Changes in the condition of the growing crop between now and the close of the harvest in the north and revisions in the estimates of countries already reporting, may change the European situation. The increase in the European crop is largely in the north and west where there is the most uncertainty. The wheat crop of the Danube Basin and of southwestern Europe will be smaller than last year.

The Russian crop is still uncertain. Although the wheat crop has suffered from drought in some districts, in others conditions are generally reported to be favorable for average or better than an average crop. A careful analysis has been made of reports as to increases in area and conditions in the several different regions of Russia which has led to the conclusion that the Russian wheat crop will not be any larger and may not be quite as large as last year.

Conditions appear to continue favorable for the development of the wheat crop in Argentina but are still critical in parts of Australia. There has been some improvement in South Australia but conditions are still critical in parts of New South Wales, the most important producing state.

Wheat Prices

Considering prospective world supplies and present indications as to demand, it seems that the average price of all classes and grades of wheat in the United States may not go much below the present level this year and are likely to go higher after the heavy marketing season unless there should be a considerable decline in the general price level. In the case of winter wheat in the next few weeks, prices are likely to be maintained with an upward tendency while spring wheat prices may fall to somewhat lower levels on account of new wheat receipts. The average farm price of wheat, as of the middle of July, was $1.27 as compared with $1.30 in the middle of June. The market price continued to decline as expected from July to the middle of August. The average cash price of all classes and grades at five markets declined from $1.43 as of the middle of July to $1.34 the first week in August.

Prices in the United States started in July slightly above prices of July 1926 but have now fallen below last year's level. Last year the average price of all classes and grades of wheat in four primary markets reached a low point of $1.34 for the week ending August 19 and came back to this level in September and February not to fall below it until April after which there was a rise to the highest level in the season, the latter part of June. The weak points in last year's course of prices were caused by rapid increases in freight rates early in the season, heavier shipments than expected from Russia and large crops with heavy shipments from the southern hemisphere. It now seems probable that Russian exports will be no greater than last year, if as large, and that the southern hemisphere will not produce as much as last year. Other factors, of course, may cause fluctuations in the course of the market for the year but there is at present every reason to believe that prices will be maintained at least on the par with last year and equal to or above the present level.

The averages of wheat prices in the United States for the years ending June, 1926 and 1927 are as follows:

	Year ending June, 1926	Year ending June, 1927
Price to producers.............	1.46	1.23 (preliminary)
No. 1 Dark Northern, Mnpls.....	1.65	1.51
No. 2 Red Winter, Chicago	1.64	1.38
No. 2 Hard Winter, Kansas City	1.63	1.35
No. 2 Amber Durum, Mnpls.	1.44	1.55

The great difference in the two years is due primarily to the fact that in the 1925-26 season all classes of wheat except durum were practically on a protected domestic market basis for a part of the year and last year they were all on an export world market basis. Next year the price to producers and the market price of all these wheats, excepting possibly No. 2 Red Winter, for part of the year will probably be upon an export basis in relation to world markets.

Wheat Price Changes in the United States and Canada

While the average price of wheat in the United States for the season just closed was considerably below that of the previous season, the average price of wheat in Canada for the season now closing has been about the same as that for the season which closed August 31, 1926. In the table below the prices of wheat in the United States and in Canada are compared with respect to year to year change in the past four years. The price quoted for United States wheat is the weighted average price in the four leading markets for all classes and grades while the Canadian price is for No. 1 Northern Spring at Winnipeg, basis Fort William. The prices are thus not comparable as to grades, but they do show clearly the differences in price change from year to year.

WHEAT: Prices in the United States and Canada, Seasons 1923-24 to 1926-27

Marketing season	United States average from markets	Canadian price No. 1 northern	Price change from preceding year: United States	Price change from preceding year: Canada
	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.
1923-24	108	100		
1924-25	146	166	+ 38	+ 66
1925-26	159	143	+ 13	- 23
1926-27	139	142	- 20	- 1

The weighted average price of No. 1 Northern Spring Wheat at Winnipeg, basis Fort William for the season ending August 31, 1927 was $1.42, according to computations made in the United States Bureau of Agricultural Economics. This price compared with an average price of 142-3/4 cents for the 1925-26 season, $1.66 for 1924-25 and $1.00 for the season 1923-24. This price is the average of the weekly average of daily closing prices of No. 1 Northern weighted by the weekly figures of country elevator receipts and platform loadings for the corresponding weeks.

The weighted average prices for the 1924 and 1925 crops are remarkably close to the payments made to the members of the wheat pools by the central selling agency for the same years. For the 1925 crop the pool payments totaled $1.45 and for the 1924 crop $1.65. These payments were subject to deductions for elevator reserve and administrative expenses so that the net payment to the Manitoba pool members for the 1925 crop was $1.43, to the Saskatchewan members $1.41½. When it is considered that the deductions for elevator reserve are in a sense additions to capital it is apparent that all pool members received for the crop slightly more than the weighted average price for all sales.

The United States has more wheat for export

On the basis of the August production estimate, the probable net export of wheat including wheat flour from the United States is estimated at 220,000,000 - 240,000,000 bushels for the season July 1, 1927 to June 30, 1928. Taking into account the size of the present crops and stocks on farms, in country mills and elevators, in central markets and merchant mills, the total supply for all uses promises to be 45,000,000 bushels greater than last year's supply, which amounted to 930,000,000 of domestic wheat and 13,000,000 bushels imported from Canada. About two-thirds of this additional supply may go into export trade.

Out of last year's total estimated supply of 943,000,000 bushels there was an accounted for disposition of 805,000,000 bushels for milling, wheat grain exports and seed, and 124,000,000 bushels retained as carry over, leaving an unaccounted for disposition for feed and other uses of about 14,000,000 bushels. Total millings amounted to 564,000,000, seed 85,000,000 bushels, and wheat grain exports 156,000,000 bushels. Of the mill grindings 65,000,000 went into export trade, making a gross export of 217,000,000 bushels and a net export of 204,000,000 bushels. From present indications this year's exports should exceed last year's by around 30,000,000 bushels, assuming no increase in carry over.

This conclusion is obvious from the following: The total supply for this year, excluding probable imports from Canada, appears to be 975,000,000 bushels. The additional supply of 45,000,000 bushels may be disposed of in several ways (1) into export trade, (2) domestic flour consumption, (3) feed and seed, and (4) increase in carry over. The annual variations in domestic consumption of flour and seed are not great. During the past two years, 1925-26 and 1926-27, our flour consumption amounted to respectively 509,000,000 and 505,000,000 bushels. This represents a slight decline in per capita wheat flour consumption from 4.4 million bushels in 1925-26 to 4.3 million in 1926-27. Wheat used for seed during the past two years amounted to 83,000,000 and 85,000,000 bushels. Consumption for feed and unaccounted for uses varies more, having been 18,000,000 in 1925-26 and 14,000,000 in 1926-27. This item may, as a result of high-price corn, increase to 25,000,000 bushels, but even such an increase, including the slight increase in flour and seed consumption, would account for only 15,000,000 of the additional supply of 45,000,000 bushels, leaving about 30,000,000 bushels additional available for export or for an increase in carry over. Whether the export trade will take all of this additional supply will, of course, depend upon the supply situation in foreign countries and the domestic price situation.

WHEAT: Supply and distribution in the United States, 1925-1927

Item	Year beginning July 1		
	1925	1926	1927
	Million bushels	Million bushels	Million bushels
Supply:			
Stocks on farms July 1	29	21	27
Country mills and elevators	25	29	22
Commercial visible (Bradstreets)	29	16	26
In merchant mills and elevators a/	22	25	37
In transit a/	9	7	12
Imports (grain only)	16	13	-
Production	676	832	851
Total supply	806	943	975
Distribution:			
Exports (grain only)	63	156	
Mill grindings (merchant mills) a/	534	554	
Mill grindings (custom and small mills)	10	10	
Seed requirements	83	85	
Disappearance unaccounted for b/	18	14	
Total disappearance	708	819	
Carry over (including wheat of merchant mills in transit)	98	124	

a/ Census raised by the Census Bureau, Department of Commerce, to represent all merchant mills. b/ Difference between total disappearance and sum of first four items under distribution.

WHEAT FLOUR: Supply, distribution and per capita consumption in terms of wheat, 1925-1927

Item	Year beginning July 1		
	1925	1926	1927
	Million bushels	Million bushels	Million bushels
Supply:			
Stocks, July 1 (commercial) a/	17	16	18
Visible b/	9	10	9
Mill grindings (commercial mills) a/	534	554	-
Mill grindings (custom and small mills)	10	10	-
Imports	-	-	-
Total available supply	570	590	
Accounted for:			
Shipments to Alaska, Hawaii, Porto Rico	2	3	
Exports	43	63	
Stocks, June 30 (commercial) a/	16	18	
Visible b/	10	9	
Total accounted for	71	93	
Available for consumption	499	497	
Population, January 1 (millions)	116.3	117.9	
Per capita consumption (bushels)	4.29	4.21	

a/ Compiled from U.S. Census estimate. Estimated to represent all merchant mills.
b/ Chicago Board of Trade as published in the Chicago Daily Trade Bulletin.

There is submitted on the following page rough estimates of probable wheat exports by classes. These estimates are based upon estimates of production by classes and export inspections for the past five years.

An analysis of the August estimate of winter and spring wheats on the basis of reports as to varieties of spring and winter wheats grown in 1924 indicates that the soft red winter wheat crop will be about the same as in 1925 but that the production of all other classes will be considerably above the production of that year. As in 1925 some of the soft red winter wheat, particularly that east of thr Allegheny Mountains and west of the Rockies, will probably be exported. In considering probable exports of hard red spring wheat allowance must be made for imports of Canadian duty paid and in bond, which in the past year amounted to about 13,000,000 bushels. It is also assumed that in the past year hard red winter wheat was used to some extent as a substitute for hard red spring where the latter ordinarily would have been used. Furthermore, farm stocks of spring wheat in the Northwest were at a fairly low level at the beginning of the year. It is considered, therefore, that some part of the indicated increase in the hard red spring wheat crop as compared with last year may be used to increase stocks and to replace to some extent last year's use of hard red winter wheat. The increase of nearly 60,000,000 bushels over last year may, therefore, provide only 25,000,000 to 30,000,000 bushels for export. It is assumed, on the other hand, that there may not be any increase in farm carry over of hard red winter wheat and that the larger crop of hard red spring wheat will reduce the consumption of hard winter so that the indicated reduction of nearly 40,000,000 bushels in the crop of hard red winter wheat may cause but little if any reduction in the exports of that wheat. Adding together the range figures of the several classes gives a range of 150,000,000 to 190,000,000 bushels as a total export of grain. A more probable range is 160,000,000 to 175,000,000 bushels. Including flour it is estimated that net exports in terms of wheat are likely to be between 220,000,000 and 240,000,000 bushels.

WHEAT: Production and exports by classes, United States, 1925-1927 and forecasts for the year 1927-28

Class	Production a/ 1925	Production a/ 1926	Production a/ August forecast 1927	Exports b/ 1925	Exports b/ 1926	Exports b/ August forecast 1927
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Hard red winter	206	361	320	11	75	65 - 75
Soft red winter	170	227	176	3	30	5 - 10
Hard red spring	156	122	180	3	2	25 - 35
Durum	65	49	c/ 84	c/ 27	22	35 - 45
White	73	89	90	16	26	20 - 25
Total	676	832	851	60	155	150 - 190
Wheat exports unaccounted for in classification ...				3	1	
Exports of flour as wheat				43	63	60 - 70
Total exports				106	219	
Imports				16	13	
Net exports				90	206	220 - 240

a/ Estimates of production by classes are made by subdividing winter and spring state estimates according to indications of a survey of wheat varieties grown in 1924. b/ Inspections for export from U.S. seaboard and Canadian inspections of U.S. wheat. c/ Crop estimates of four states plus 1924 indications in other states. Exports include allowance for Durum in wheat inspected as mixed.

The Durum Wheat Market in Italy

Italy will probably be in the market for more Durum wheat this year than last. Notwithstanding the great efforts of the Italian Government to produce more wheat, reports to date indicate that this year's crop is likely to be somewhat less than last year. Of great significance to our Durum wheat growers are the reports that yields in southern Italy, where the hard wheat is grown, are low. In the past five years Italy has imported from 16,000,000 to 24,000,000 bushels of Durum wheat. The reports of short crops in southern Italy, therefore indicate that Italy may buy this year from 20,000,000 to 25,000,000 bushels and possibly a little more. In 1913 Italy purchased 29,000,000 bushels of Durum wheat but she had at that time an export trade of the products of Durum wheat and much of that trade has been lost.

Italy will probably buy a large proportion of her Durum wheat needs from the United States. The North African production finds a protected market in France and most if not all of it will probably be consumed there. Russia, which furnished the bulk of this wheat before the war, has provided less than two million bushels in the past two years, nearly all of the remainder being provided by the United States and Canada. According to Italian import figures, in the ten months ending April, the last month for which we have import data, 9,000,000 out of 14,000,000 bushels is credited to the United States and 5,000,000 to Canada. It is probable, however, that part of this 5,000,000 bushels credited to Canada is wheat from the United States, shipped through Canada. The United States is likewise furnishing a large proportion of the soft wheats imported by Italy. In furnishing this wheat Australia and Argentina are her principal competitors. The sources of Italian imports of both hard and soft wheat are shown in the following table.

ITALY: Imports of wheat by countries, and kinds, year ended June 30, 1925 and 1926 and ten months, July-April, 1926 and 1927

Country from which imported	Year ended June 30					
	1925			1926		
	Hard wheat	Soft wheat	Total wheat	Hard wheat	Soft wheat	Total wheat
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	9,411	43,855	53,266	7,708	23,283	30,992
Canada	7,051	8,717	15,768	5,322	2,741	8,063
Australia	---	15,512	15,512	---	5,690	5,690
Argentina	605	14,108	14,713	64	9,129	9,193
British India	---	961	961	--	101	101
Russia, excl. Ukraine.	37	165	202	1,612	475	2,087
Ukraine	112	4	115	44	153	197
Yugoslavia	---	171	171	--	1,793	1,793
Rumania	---	69	69	--	2,447	2,447
Tunis	30	--	30	2	--	2
Morocco	0	0	0	59	--	59
Other countries	444	263	708	1,238	4,324	5,561
Total	17,690	83,825	101,515	16,049	50,136	66,185
Wheat flour in terms of wheat a/			613			144
Wheat, incl. flour..			102,128			66,329

ITALY: Imports of wheat by countries, ten months, July-April, 1925-1926 and 1926-1927

Country from which imported	July-April					
	1925-26			1926-27		
	Hard wheat	Soft wheat	Total wheat	Hard wheat	Soft wheat	Total wheat
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	5,749	17,122	22,871	5,486	26,668	32,154
Canada	4,691	2,378	7,069	9,353	4,216	13,569
Australia	---	3,433	3,433	--	5,973	5,973
Argentina	63	4,237	4,300	63	7,417	7,480
British India	--	101	101	--	35	35
Russia, excl. Ukraine	1,061	360	1,421	1,826	2,856	4,682
Ukraine	36	86	123	52	769	821
Yugoslavia	--	1,425	1,425	--	1,066	1,066
Rumania	--	1,221	1,221	--	2,441	2,441
Tunis	--	--	--	1	--	1
Morocco	52	--	52	8	--	8
Hungary	--	b/ 365	b/ 365	--	c/ 404	c/ 404
Other countries	1,120	3,396	4,515	230	1,779	2,010
Total	12,772	34,124	46,896	17,019	53,624	70,644
Wheat flour in terms of wheat a/			106			78
Wheat, incl. flour...			47,002			70,721

a/ Wheat flour not reported by countries. b/ Four months, January-April, 1926.
c/ Four months, January-April, 1927. Not separately listed before that time.

UNITED STATES: Inspections of durum wheat for export

Month	In eastern division of Canada		In United States a/		Total	
	1925-26	1926-27	1925-26	1926-27	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	1,776	1,601	511	67	2,287	1,668
August	1,817	619	87	14	1,904	633
September	1,745	1,602	268	57	2,013	1,659
October	2,456	3,345	420	272	2,876	3,617
November	3,220	3,942	420	68	3,640	4,010
December	1,337	2,498	271	57	1,608	2,555
January	497	2,813	279	20	776	2,833
February	965	834	53	--	1,018	834
March	952	980	300	12	1,252	992
April	210	71	1,122	36	1,332	107
May	4,166	245	329	8	4,495	253
June	3,758	835	110	--	3,868	835
Total	22,899	19,385	4,170	611	27,069	19,996

Compiled in Division of Statistical and Historical Research from records of the Grain Division and from Canadian Grain Statistics issued by Dominion Bureau of Statistics, Internal Trade Branch.

a/ Does not include durum in wheat classified as mixed.

CANADA: Inspections of durum a/ wheat in the Western Grain Inspection Division of Canada, 1925-26 and 1926-27

Month	1925-26	1926-27
	1,000 bushels	1,000 bushels
July	153	119
August	30	48
September	2,592	2,453
October	1,292	4,399
November	1,688	2,757
December	1,026	1,156
January	196	553
February	81	575
March	19	454
April	126	125
May	192	290
June	117	118
Total	7,512	13,047

Compiled from Canadian Grain Statistics.

a/ Includes a small amount of mixed wheat.

THE CONTINENTAL EUROPEAN WHEAT SITUATION DURING JULY

European demand for wheat during July, especially in the northern European markets, has shown some improvement during the latter part of the month, following the period of slower buying which set in around the middle of June, according to a report from Acting Agricultural Commissioner Steere. a/ Buying has not become active but with arrivals running considerably lower than in June consumptive demand has been of sufficient volume and steady enough to make a considerable impression on the stocks which piled up at port markets during June. The trade now states that stocks are no longer large, and it is apparent, with stocks again declining when buyers generally are following a hand-to-mouth policy, that the new crop year will begin on August 1 with European stocks of old crop wheat, both overseas and domestic grain, at a low level. Flour stocks are also lower. Good buying of overseas wheat was maintained the first week in August.

The failure of crops over most of Northern Europe to make up any of the one to three weeks delay in progress is a factor in current buying, and also points to some further buying in the immediate future to cover requirements that would ordinarily be supplied, at least partially, by domestic grain. The crop delay also explains the relatively greater activity in northern European markets, principally Germany and Belgium, although Italy has been reported a good buyer during the month. Italy is buying foreign wheat in spite of the fact that domestic new crop wheat is now on the market. Trading is more quiet in Hungary, Austria and Czechoslovakia due to the satisfactory harvest.

In spite of a probable smaller wheat crop in the Danube Basin than last year it continues to appear that the wheat crop in Continental Europe, outside of Russia, will be larger than last year, but there is still considerable uncertainty as to the outturn in the deficit countries of Western and Northern Europe. France and Germany have experienced numerous heavy rains and cloudbursts during the last half of July, which, in the case of France, are reported to have caused lodging nearly everywhere, and in Germany the flooding of low lying fields over large sections of the central and northern regions. Reports from France vary greatly as to the extent of damage, apparently there has been extensive local damage at least, but in Germany opinion seems to indicate that low lying fields will suffer considerable damage, others no significant injury. Rumanian reports are also slightly less favorable as to outturn in view of less satisfactory reports from Bessarabia and Moldavia.

---

a/ Report of July 28, 1927, supplemented by cable of August 9.

The size of the Russian crop will depend largely upon what happens to spring wheat. The winter wheat crop is average and above average in practically all sections, in Central Russia probably better than last year. Spring wheat, however, has been reported below average in condition over a large section of the spring wheat belt, as a result chiefly of drought. Barring early favorable developments, it is difficult to see how the Russian crop will be more than average in size.

The conclusions as to the coming crop year which can be drawn from the information available up to the present time are that Russia seems likely to export but little if any more wheat than last year and maybe less. The Danube Basin as a whole appears to have a surplus not far from that of last season, although there is some possibility of changes in estimates as the season progresses; the western European deficit countries appear to have slightly larger crops than last year and their requirements of foreign wheat, therefore, promise to be somewhat smaller during the coming campaign than in 1926-27. There is still time, however, for the crop outlook in northern and western European countries to change. Italy promises to have requirements fully equal to those of last year and seems likely to require more durum wheat than a year ago. The French crop was unofficially estimated some time ago at 10-12 per cent above last year, but it has since suffered damage, and some trade reports think the deficit may not be much different from last year's. Germany's probable requirements are as yet uncertain, but seem likely to be smaller than during the past campaign. Requirements of other northern European countries also promise to be slightly smaller than last year.

GERMANY

German imports of wheat during June were the largest of any month of the 1926-27 campaign except August when imports were influenced by the increase of tariff rates. While buying was quieter during the last half of June and early July it is expected, nevertheless, that July figures will also be high, although possibly not as large as last year. In any event, the apparent consumption of wheat in Germany this year will be above 184 million bushels, more than 10 million bushels greater than the consumption of the previous season following the large harvest in 1925. The trade, almost without exception, gives credit for this large consumption to the rapid improvement in German economic conditions within the past year. German buying of foreign wheat was somewhat quieter during the first few days of August.

WHEAT BALANCE FOR GERMANY

Item	1924-25	1925-26	1926-27
	1,000 bu.	1,000 bu.	1,000 bu.
Domestic Production	89,199	118,213	95,422
Net Import Aug.-May			
Wheat	39,655	32,343	69,067
Wheat flour (as wheat)	20,615	5,270	1,996
Net Import June			
Wheat	6,702	6,892	10,362
Wheat flour (as wheat)	1,297	249	25
Net Import July			
Wheat	9,417	11,371	6,600
Wheat flour (as wheat)	1,532	627	11,000
Apparent Consumption	168,417	174,965	184,000 - 188,0

WHEAT AND RYE PRICES IN GERMANY

(Cents per bushel)

Item	June 27	July 4	July 11	July 18	July 21	Aug. 5
Hamburg Wheat	193.8	190.5	184.4	182.7	182.7	182.1
Breslau Wheat	193.8	193.8	184.0	177.6	177.6	176.3
Berlin Rye	164.0	159.7	154.9	153.7	151.9	132.5

The German grain duty of 5 Marks per metric ton, equivalent to 3.02 cents per bushel for rye and 3.24 cents for wheat, was prolonged for two years from June 30.

DANUBE BASIN

Reports from the Danube Basin indicate that the market for wheat has been comparatively quiet during July, with requirements fairly well covered by overseas wheat in the deficit areas, with old crop stocks practically exhausted, and offers of new crop wheat being held for prices unattractive to foreign buyers.

While definite estimates of the crop outturn in most countries of the Danube Basin are still unavailable, it now appears that the wheat crop will not be above average in the region as a whole. Markets in the Danube Basin, Czechoslovakia and Austria are more quiet with the arrival of new crop wheat on the market. Yields are proving smaller than expected in Yugoslavia with the result that the crop now seems to be slightly below average, and reports from Rumania also indicate below average outturn in Bessarabia and Moldavia, a fact which, in conjunction with the reduced acreage, is expected to result in a crop below last year's. Reports as to production in both Hungary and Austria have improved steadily during the month, the Bulgarian crop is good, the Czechoslovakian above average, and information as to the quality of the wheat crop is favorable from practically all parts of the Danube Basin.

The rye crop in the Danube Valley, on the whole, now promises to be somewhat smaller than last year, mainly because of the smaller Hungarian crop. The Rumanian corn crop is reported to be suffering from drought, also there is considerable variation in its condition. The Bulgarian and Yugoslavian corn crops are also in need of rain.

FRANCE

The French wheat market has been comparatively quiet during July, to some extent apparently because of previous purchases and some accumulation of stocks, as well as not entirely satisfactory flour business. Actual imports during June and July, however, are expected to prove large.

WHEAT BALANCE FOR FRANCE

Item	1923-24	1924-25	1925-26	1926-27
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Production	275,582	282,352	329,096	248,619
Imports: Wheat				
Aug.-Jan.	26,838	24,535	35,031	19,159
February	1,998	1,440	895	7,912
March	2,244	1,198	557	7,258
April	2,850	1,221	631	8,308
May	5,810	702	425	6,577
June	8,127	1,882	887	6,577
Total	323,449	313,330	367,522	304,410
Imports: Wheat				
July	7,549	2,377	1,130	6,000-9,000
Apparent Consumption	330,998	315,707	368,652	310,000-313,000

ITALY

Trade reports indicate that Italy has been a fairly active buyer of wheat during July, this, however, is normally the case. It is expected that imports during the month will bring the total apparent consumption for the year to not far below that of last season, the largest on record. Next year's requirements, on the basis of the apparent crop, promise fully to equal those of last season and in the case of durum wheat, may be larger, in view of the less satisfactory outturn in the durum region in southern Italy.

WHEAT BALANCE FOR ITALY

Item	1924-25	1925-26	1926-27
	1,000 bu.	1,000 bu.	1,000 bu.
Production	169,806	240,859	221,025
Imports: Wheat			
Aug.-Feb.	46,994	26,432	41,045
March	10,782	7,026	10,094
April	13,399	8,670	8,050
May	11,559	10,689	11,684
June	6,906	8,436	7,238
Total	259,446	302,112	299,136
Imports: Wheat			
July	4,936	8,289	4,000-9,000
Apparent Consumption	264,382	310,401	304,000-308,000

BELGIUM

The Belgian wheat market was firmer and considerably more active during July than in June, the activity continuing through the first week of August. Improving demand has resulted in the steady diminishing of stocks.

GARNET WHEAT EXPERIMENTS IN CANADA

Garnet wheat is a new early ripening variety evolved by agronomists at the Canadian Government Experimental farm at Ottawa, Ontario, according to an article entitled "Garnet - The New Wonder Wheat" published in the January issue of the Canadian Milling and Grain Journal. The new grain which ripens in 100 days may solve the problem of rust which causes damage to crops every year in the Dakotas, Kansas, Montana and the prairie provinces of Manitoba, Saskatchewan and Alberta. It will advance harvest time in both countries by at least ten days, lessening the freight car congestion of the early fall. It will bring millions of acres of new land into the wheat belt.

The new wheat, its originators say, will open a new epoch in wheat raising. The new variety has been thoroughly tested at Government experimental farms in various parts of Canada. These tests indicate that under actual growing conditions, Garnet is as much an improvement over Marquis as Marquis was over the old varieties of wheat. Outstanding points of superiority of Garnet over Marquis, agronomists say are:

1. Garnet matures from seven to ten days earlier than Marquis.
2. It stands dry weather better.
3. It stands excessive moisture better.
4. It is more immune from the dangers of rust.
5. It will extend the wheat line 75 to 100 miles further north and open a new wheat field of 900 miles from east to west, making available for land settlers an area of over 40,000,000 acres.

Marquis, which is used commonly by farmers in the United States and Canada, is susceptible to rust, a failing common to practically all varieties of bread wheat. Losses from rust in the last few days of the 1926 crop season in the United States and Canada are said to have totaled a fourth of the harvest. It is a race between the wheat and the rust. If the grain ripens early enough, it will escape. If it does not, it falls a prey to blight. Some improvement on Marquis had to be found and the evolution of an earlier ripening variety which would escape rust seemed the solution. Experiments reached a point last year where it was decided to send out samples to experimental farms in Western Canada and to a few selected farmers and subject Garnet to various climatic and soil conditions.

The new wheat was tried out on about 4,000 farms in Western Canada during the summer of 1926. In most cases Garnet was planted alongside of Marquis. Careful records of sowing, harvesting, and threshing were kept. Results of all the tabulations aee not yet available.

RUSSIA: Wheat acreage, production and yield by regions, 1925, 1926

Regions	1925 Winter	1925 Spring	1926 Winter	1926 Spring
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Consuming zone a/	230.0	671.4	266.4	697.3
Central agricultural	573.4	962.2	545.1	1,073.9
Bashkir-Orenburg and middle and lower Volga.	84.5	8,237.1	17.0	10,265.1
North Caucasus	6,852.9	4,033.4	7,311.1	4,643.0
Crimea	604.2	4.3	819.4	4.9
Ukraine	7,235.2	6,881.8	8,798.6	7,652.3
Ural	0.8	5,222.3	2.7	6,036.8
Siberia	18.4	7,619.4	21.9	9,119.6
Kasak-Kirghiz	249.2	4,989.3	262.1	5,765.2
Transcaucasia	2,041.5	309.1	2,041.5	309.1
Other Russia	1,918.2	2 097.9	1,058.0	2,309.5
All Russia b/.......	18,808.3	4[illegible],028.2	21,143.8	47,876.7
PRODUCTION	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Consuming zone a/	2,889	7,644	2,829	7,042
Central agricultural	4,815	8,366	6,861	7,102
Bashkir-Orenburg-Volga ..	722	69,156	181	118,089
North Caucasus	113,093	61,031	95,037	37,798
Crimea	11,014	60	11,315	60
Ukraine	84,504	67,952	109,843	61,572
Ural	---	64,160	60	81,013
Siberia	241	102,681	301	107,797
Kasak-Kirghiz...........	2,107	50,016	3,491	84,143
Transcaucasia	26,844	3,371	32,682	4,095
Other Russia	12,098	20,283	13,121	25,219
All Russia b/	258,327	454,720	275,721	533,928
YIELD PER ACRE				
Consuming zone a/	12.6	11.4	10.6	10.1
Central agricultural	8.4	8.7	12.6	6.6
Bashkir-Orenburg-Volga ..	8.5	8.4	10.6	11.5
North Caucasus	16.5	15.1	13.0	8.1
Crimea	18.2	14.0	13.8	12.2
Ukraine	11.7	9.9	12.5	8.0
Ural	---	12.3	22.2	13.4
Siberia	13.1	13.5	13.7	11.8
Kasak-Kirghiz	8.5	10.0	13.3	14.6
Transcaucasia	13.1	10.9	16.0	13.2
Other Russia	6.3	9.7	12.4	10.9
All Russia b/	13.7	11.1	13.0	11.2

Statistical Review, January 1927, published by the Central Statistical Bureau of Union Soviet Socialist Republic. a/ Including White Russia. b/ Figures exclude the production of collectivist and state farms and on urban land, the total area of which planted to all grain crops constituted approximately 2 per cent in 1925 and 1926.

WHEAT: Production in specified countries, average 1909-1913, annual 1924-1927

Country	Average 1909-1913	1924	1925	1926	1927 Prel. forecasts & estimates
NORTHERN HEMISPHERE	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA					
Canada	197,119	262,097	411,376	409,811	357,367
United States	690,108	864,428	676,429	832,809	851,145
Mexico a/	11,481	10,357	9,440	10,244	11,108
Total	898,708	1,136,882	1,097,245	1,252,864	1,219,620
EUROPE					
Belgium	15,199	13,376	14,477	12,228	14,309
France	325,644	281,179	330,340	231,767	b/(275,000)
Spain	130,446	121,778	162,591	146,600	148,921
Portugal c/	11,850	8,577	11,478	8,538	11,280
Italy	184,393	170,144	240,844	220,642	215,242
Germany	131,274	89,199	118,213	95,422	d/(116,000)
Hungary	71,493	51,568	71,675	74,909	75,103
Greece c/	16,273	8,252	14,190	11,171	13,300
Bulgaria	37,823	24,698	49,643	41,064	44,753
Poland	63,675	32,498	57,915	47,080	47,252
Minor European countries reporting e/	8,929	9,381	10,952	11,124	11,991
Other Europ. count. f/	351,171	241,244	319,369	309,259	294,000
Russia, European	607,828	246,927	498,176	590,234	(590,000)
Total above countries excluding Russia	1,348,170	1,051,894	1,401,687	1,209,804	1,267,000
including Russia	1,955,998	1,298,821	1,899,863	1,800,038	1,857,000
AFRICA, 4 countries	92,047	85,312	104,558	89,976	101,014
ASIA, 3 countries	383,827	395,989	371,047	363,622	371,844
Russia, Asiatic	151,113	134,814	214,871	219,415	(219,000)
Total 4 countries including Russia	534,940	530,803	585,918	583,037	591,000
Total above Northern Hemisphere countries:					
excluding Russia.	2,722,752	2,670,077	2,974,537	2,916,266	2,959,000
including Russia.	3,481,693	3,051,818	3,687,584	3,725,915	3,768,000
Estimated world total ex. Russia & China	3,041,000	3,142,000	3,400,000	3,417,000	
in. Russia, ex. China	3,800,000	3,527,000	4,072,000	4,224,000	

a/ Four year average. b/ Forecast on basis of correlation of conditions of the crop on May 1 with yields for past 24 years. c/ One year only. d/ Forecast on the basis of a correlation of conditions of the crop on June 1 with yields for 25 years, assuming that acreage this year is slightly above 1926, and taking into consideration the deterioration during June. e/ Includes Norway, Netherlands, Finland, Malta and Switzerland. f/ Includes rough forecasts for England and Wales, Scotland, Ireland, Sweden, Denmark, Luxemburg, Austria, Czechoslovakia, Yugoslavia, Rumania, Lithuania, Latvia and Esthonia.

GRAIN: Exports from principal exporting countries, year ending June 30, 1926 and 1927, and July 1926 and 1927

Commodity and country	Year ended June 30		June		July, preliminary a/	
	1926	1927	1926	1927	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Exports-						
Wheat, incl. flour-						
United States	108,035	219,061	11,210	11,515	19,819	10,652
Canada	320,659	304,948	32,424	19,673	8,275	11,873
Argentina	99,013	137,149	10,600	16,000	4,128	9,370
Australia	77,486	101,880	6,365	12,908	3,084	6,748
British India	8,054	11,495	1,754	2,784	1,728	4,744
Danube and Bulgaria	10,320	9,544	2,024	224	920	912
Russia	20,696	33,256	1,776	320	360	192
Total	644,089	810,493	66,153	63,424	38,314	44,491
Corn-						
United States	23,137	17,563	1,722	1,008	1,227	590
Argentina	150,328	269,414	21,202	42,236	15,716	36,669
Rye-						
United States	12,505	21,613	1,082	3,571	2,185	118
Russia, Danube, and Bulgaria	3,792	b/	9	b/	c/ 146	c/ 60
Barley-						
United States	27,182	17,033	1,352	1,186	1,386	1,534
Oats-						
United States	30,975	9,245	1,817	1,462	817	428
Flaxseed-						
Argentina	61,295	67,603	7,179	6,183	4,915	4,873
Imports-						
Wheat, incl. flour-						
United States	15,664	13,224	1,009	458	851	b/
Flaxseed-						
United States	19,354	24,224	2,470	2,925	1,371	b/

a/ United States figures are as officially reported for the full month. For foreign countries exports in all cases not otherwise noted are for four weeks only. b/ Not available. c/ One week only.

Compiled from official sources except preliminary figures for foreign countries other than Canada which are from Broomhall's Corn Trade News. and Chicago Daily Trade Bulletin.