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FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports to April 14, 1928)

Advancing wheat prices together with a good Continental European demand are favorable for marketing the remainder of our export surplus of hard winter and hard red spring wheat. The increased wheat surplus in Canada as compared to last year is offset by reduced surpluses in the Southern Hemisphere, the Balkans, and Russia. Prices are advancing in foreign markets as well as in the United States where the average of all wheat prices is now higher than in the corresponding month last year for the first time since August. Unfavorable growing conditions for the new crop both in the United States and northern Europe are strengthening factors.

The estimated world supply of wheat shows little change during the past month. Production in 46 countries exclusive of Russia amounts to 3,485 million bushels which is 4.0 per cent above the 3,352 million produced by them in 1926. Total supplies of grain reported in the 4 principal exporting countries are somewhat larger than at the same time last year. The United States visible supply on March 31 was 73 million bushels, which is 19 million bushels greater than at the same time last year. Canadian visible supply on March 31 was 144 million against 109 million a year ago. The supply in the Western Grain Division on March 30 was 120 million bushels, or 23 million greater than in the preceding year. This increase in the North American visible supply is partially offset by decreases in the indicated exportable surpluses in Argentina, Australia and Europe. The exportable surplus in Argentina on April 12 is estimated to be 27 million bushels below that of a year ago and the surplus in Australia on April 1 is estimated to be about 10 million below. There is no prospect of any significant export from Russia for the balance of the year, whereas last year there were 8 million bushels shipped out between April 1 and June 30. Net exports since the beginning of the season as far as they are reported for all important exporting countries amount to 604 million bushels compared with 613 million for the same period last year.

Latest reports of wheat imports into European countries since the first of July total 371 million bushels, which is only 12 million above takings in the corresponding period last year. Depletion of domestic European stocks, the growing scarcity and increasing prices of rye and some concern over the 1928 crop caused by winter killings and by the cold weather in March which delayed spring sowing, are all factors stimulating purchases and now seem to indicate that the European demand for the balance of the season, with the possible exception of France, may closely approximate the high figures for the corresponding period of last year.

New crop production prospects are beginning to be an important factor in the market. Low condition in the United States and unfavorable conditions in parts of Europe may offset to a considerable extent increases in area of seedings. The total area seeded as reported to date amounts to a little more than one-half of the world's total wheat crop and is about 4 per cent greater than last year. A large part of this increase, however, is in the United States and much of it may be eliminated by abandonment. The April 1 condition is about as bad as in 1925 when about 20 per cent of the fall seeded area was abandoned. Nine European countries report a total increase of 1.6 per cent over last year but the area seeded in these countries is still less than in 1926. The significance of the reported increase in Russia is subject to modification by condition and abandonment. India may be harvesting a crop slightly larger than last year but the increase, if any, will not be a significant factor in the world's markets.

Canadian supplies larger

Conditions around Sault Ste. Marie were favorable on April 5 for an early break up of the remaining ice and navigation was then expected to open about April 15. The cold weather since April 5 will retard the opening, however. The average date of opening at Sault Ste. Marie is April 20. Trade reports stated that Lake Huron and the St. Clair river were free from ice by April 4. No report is so far available this spring for Lake Superior. Navigation at Fort William-Port Arthur usually starts about 5 days later than at Sault Ste. Marie. Last year navigation began at Fort William-Port Arthur on April 14 and the year before on May 3. Shipping was expected to start at Montreal on April 13 which is earlier than usual. Under the terms of an agreement concluded between the principal lake carriers last December no contracts were to be made calling for shipments of grain before May 1. On April 7 the United States Department of Justice announced that a petition for an injunction had been filed in the United States Court at Cleveland in an effort to annul this agreement. With the Canadian surplus larger than usual, a shortening of the possible exporting season may cut down the amount of wheat to be shipped out between now and June 30. Present indications are for a considerable increase in surplus available for shipment from Canada the balance of the season over shipments for this period last year. Total Canadian stocks reported in store on March 23, which does not include farm stocks or stocks in mills, were 154 million bushels compared with 115 million last year and 107 million the year before. Figures just received on total stocks appear on page 6.

Australian surplus reduced

The Australian official estimate of production remains at 109 million bushels compared with 161 last year. A more recent estimate from a correspondent of this Bureau in Sydney, based on deliveries from farmers, places the crop between 104 and 110 million bushels. This correspondent reports that deliveries from farmers at country railway stations had been completed by March 6, the date of his report. The fair average quality

standard fixed by the various Chambers of Commerce, he says, varies in the different states from 60-1/4 to 62 pounds natural weight. It is good dry milling wheat, he reports, and being a white wheat is likely to have attention in the international markets because of its condition and dryness.

Australian shipments from January 1 to March 30 this year were 26.5 million bushels compared with 64 million for the same period last year. Assuming a carryover of 4 million bushels and allowing for a domestic consumption of 45 million bushels, this would leave an exportable surplus for the remainder of the calendar year of 41 million bushels compared with a corresponding figure of 51 million last year. The amount shipped out last year between April 1 and June 30 was 28 million bushels. The present prospect this year is for a free movement of surplus in the next few months. Our Sydney correspondent expects that if international wheat prices reach \$1.67 to \$1.70 a bushel, Australian growers will sell the balance of their crop pretty freely while if international prices do not go above \$1.58 it will be shipped out slowly throughout the remainder of the year. On March 21, the latest date available, Australian wheat was quoted at Liverpool at \$1.667 a bushel. At prevailing freights our correspondent reports a price of \$1.67 c.i.f., would be equivalent to about \$1.52 at country stations. Freight rates for full cargoes at the time of the report were offering at around 21.2 cents a bushel and a few charters had been arranged. Parcel freights were plentiful at 19.6 cents. There was a prospect of freight rates falling slightly during the next few months.

Argentine surplus smaller

Total exports from Argentina from January 1 to April 7 amount to 87 million bushels compared to 67 million for the same period last year. Allowing a domestic consumption of 77 million bushels and assuming a carryover of 15 million bushels into the new crop year and an export of 6 million bushels from April 8 to 12, this would leave a surplus of 83 million bushels for export the balance of the calendar year compared with the official estimate of 110 million last year. The exports from April 1 through June last year were 56 million bushels.

1928 wheat area and conditions

Total winter wheat acreage for 16 countries reported to date, exclusive of Russia, is 137,680,000 acres, which is still 4 per cent greater than the area reported for the same countries last year when they accounted for 56 per cent of the total world winter and spring acreage exclusive of Russia. The total winter wheat acreage of the 15 foreign countries reporting is 89,783,000 acres, or only 1.4 per cent above winter acreage for those countries last year. An estimate of Russian winter wheat acreage is also now available, 27,794,000 acres, which is 2.7 per cent above last year's acreage, but offset by a decrease in rye acreage.

Early condition reports continue to indicate little change in the size of the winter wheat crop as compared with last year, but the plant is not yet advanced enough to form the basis for any actual estimation of the harvest. The condition of winter wheat in the United States on April 1 is

68.8 per cent of normal compared with 84.5 per cent at this time last year. The official report of the amount of area abandoned will not be available until May 9.

In Europe there was a cold wave about the middle of March which is believed to have caused some additional damage to the growing crop. Conditions appear to continue poorer than last year in Northern Europe which is at least partially balanced by good conditions in the south, leading to early indications of a crop for Europe outside of Russia not far from that of last year. The condition of the German crop on April 1 was only 84 per cent of the 10 year average compared with 109 per cent at that time last year. Conditions in southern Italy where durum is grown are excellent, whereas last year drought was being felt. For Russia the situation is uncertain. It is generally reported that there has been more or less winter killing but the Commissariat of Agriculture states that the condition of winter cereals is favorable in the greater part of the country. Losses are reported in Ukraine and Crimea.

Reports available for North Africa are favorable to a crop as large as last year in the three countries where durum is an important part of the crop.

India's second estimate of acreage, of 31,332,000 acres, is 0.5 per cent above the corresponding estimate for last year. Conditions of the growing crop appear to be about average, whereas last year the yield per acre was slightly below the 10-year average. The first estimate of production in the Punjab, which grows about a third of the Indian crop, is 123,568,000 bushels compared with a crop of 128,091,000 last year, but the Punjab acreage was also less than last year's.

Work on the spring crop has been delayed in Europe by cold weather in March. In Canada the amount of fall ploughing last year was small compared with the average, but the total was greater than in the preceding fall, amounting to 28 per cent of the area intended for 1928 crops, compared with 20 per cent for 1927 crops and 26 per cent for 1926 crops. Seeding was general in Alberta the first week in April, which gives promise of an early completion of seeding. Last year only 10 per cent of the spring wheat area of that province was completed in April. In Russia sowing of spring cereals has begun in the south, but the government has difficulty in supplying implements in some districts. It also has a problem in coping with the efforts of the rich peasants to reduce acreage.

Weather conditions up to the first week in March were favorable to an increased Australian acreage for the new crop for which seeding will begin in May. A continuance of these favorable conditions will not necessarily result in increased acreage, according to a Sydney correspondent of this Bureau, since wheat growers generally are carrying a fair number of sheep, and have found wool more profitable than wheat the past two years.

Abandonment of winter wheat in United States

Based on the relationship between the December and April 1 conditions of the winter wheat crop and abandonment as reported on May 1, this year's abandonment will be heavy as compared with the last two years and the ten

year average and approximately the same as in 1925 when the abandonment was 21.6 per cent of the acreage sown in the fall of 1924. This assumption is based on the estimate secured by using the method described in the December 1925 issue of Crops and Markets, to estimate the probable abandonment of winter wheat before the abandonment report of the Department of Agriculture as of May 1 is available. This estimate does not take into account the influence of April weather conditions which might increase or decrease the actual abandonment as compared with that estimated from the condition reports of December and April 1. The December 1 condition last year was 86 per cent of a normal as compared with 81.8 per cent the year before and 81 per cent in 1925. The April 1 condition this year was 68.3 per cent as compared with 84.5 per cent last year and 68.7 per cent in 1925, which makes the April 1 condition this year practically the same as in 1925. Should the abandonment be as large as in 1925, the acreage remaining to be harvested would be approximately the same as last year.

The table below shows the method of estimating the probable abandonment and a comparison of estimated abandonment with actual abandonment figures.

Formula:

$$\% \text{ abandonment} = \text{December 1 condition} \times .178 + 59.68 - \text{April 1 condition} \times 0.775 =$$

Year	1	2	3	4	5	6	Estimate	Actual
Year	Cond. Dec. 1 prev. year	59.68	Apr. 1 condition	(3-5)	abandonment	Per cent	Per cent	Per cent
	Per cent	x .178	to (2)	Per cent	x 0.775	Per cent	Per cent	Per cent
1925 ...	81.0	14.42	74.10	68.7	53.24	20.9	21.6	
1926...	82.6	14.70	74.38	84.1	65.18	9.2	7.3	
1927...	81.8	14.56	74.24	84.5	65.49	8.75	12.9	
1928...	86.0		68.8					

WHEAT: Inspections in the western grain division of Canada, 1923-24 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 - March 31				August 1 - July 31			
	No. 1	No. 2	No. 3	Total	No. 1	No. 2	No. 3	Total
	Northern	Northern	Northern	3 grades	Northern	Northern	Northern	3 grades
Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	
1923-24	38.3	25.0	22.1	85.4	37.3	25.7	22.7	85.7
1924-25	19.7	18.4	18.6	56.7	19.5	18.3	18.6	56.4
1925-26	23.0	27.0	13.5	63.5	22.4	27.0	13.8	63.2
1926-27	10.3	18.6	8.3	37.2	9.2	17.7	8.0	34.9
1927-28	1.2	9.3	24.7	35.2	---	---	---	---

Board of Grain Commissioners, Winnipeg.

Canadian stocks and exports

Total stocks of Canadian wheat in all positions on March 31, including Canadian wheat in the United States amounted to 219,546,000 bushels which is 45,164,000 bushels greater than at the same time last year and 17,053,000 larger than on March 31, 1924 following the record crop of 474 million bushels in 1923. In the past five years the exports from April 1 to June 30 have varied between 31 and 42 per cent of the total stocks on March 1.

Canadian Wheat Production, Stocks on March 31 and Exports April 1 - June 30 following crops of 1922 to 1927

Crop Year	Production	Stocks on following March 31		Exports following April 1 to June 30	
		Farm Stocks	Total stocks all positions including farm stocks	Total amount	Per cent of stocks on March 31
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
1922	399,786	54,771	139,788	50,021	36
1923	474,199	70,755	202,493	84,215	42
1924	262,097	39,225	121,084	37,668	31
1925	395,475	50,878	161,376	63,255	39
1926	407,136	51,366	174,382	74,042	42
1927	440,025		219,546		

International trade in durum wheat

Exports of United States durum through Canada from July 1 to February 29 amount to 14,489,000 bushels compared with 17,254,000 for that period last year. Exports from United States ports as indicated by inspections for export were considerably larger through January than last year, so that total indicated exports of United States durum as far as reported are 16,727,000 bushels or only 1,082,000 less than for the corresponding period last year. Inspections of Canadian durum through March are larger than last year, amounting to 13,185,000 bushels, compared with 12,512,000 in 1926-27. Russian durum exports as indicated by imports into Italy have been small up to January 1, amounting to only 174,000 bushels compared with 854,000 for the same period last year. Algeria had exported 2,345,000 bushels of durum up to the first of January compared with 1,697,000 in 1926-27. Total Italian imports of durum to the first of January were 9,811,000 bushels compared with 8,550,000 last year. See tables on page 7.

DURUM WHEAT: Inspections and trade in specified countries, years beginning July 1, 1925-26, 1926-27; months reported 1927-28 and earlier years

Country and movement	Year beginning :		Amounts reported for			
	July 1 :		Months	1925-26	1926-27	1927-28
	1925-26	1926-27				
EXPORTING COUNTRIES	1,000	1,000		1,000	1,000	1,000
United States -	bushels	bushels		bushels	bushels	bushels
Inspections in U.S. <u>a/</u>	4,170	611	July-Jan	279	555	2,238
Inspections in Canada,						
Eastern Division	22,802	19,108	July-Feb	13,716	17,254	14,489
Total U.S. wheat	27,069	19,996		13,995	17,809	16,727
Canada-						
Inspections in Western						
Division <u>b/</u>	7,512	13,047	July-Mch	7,074	12,512	13,185
Russia, imports into						
Italy	1,656	2,534	July-Dec	422	854	174
France <u>c/</u>	<u>d/</u> (81)	481	July-Sep	<u>e/</u>	38	24
Algeria	<u>f/</u> (5,655)	1,770	July-Dec	<u>e/</u>	1,697	2,345
IMPORTING COUNTRIES						
Italy, total imports	16,049	20,419	July-Dec	6,046	8,550	9,811
France-						
Total imports	<u>g/</u> (4,694)	9,804	July-Sep	<u>e/</u>	2,470	1,570
Imports for consumption:	<u>g/</u> (3,257)	3,954	July-Sep	<u>e/</u>	1,678	1,117

Taken from official sources of the reporting countries and the International Institute of Agriculture. a/ Does not include durum in wheat classified as mixed. b/ Includes a small amount of mixed wheat. c/ Total imports of durum into France from Russia, rather than imports for consumption. d/ Half-year January-June. Comparable figure for 1926-27 is 344,000 bushels. e/ Not separately classified. f/ Total exports of durum and other wheat. In 1926-27 durum exports were 88 per cent of the total wheat exports. g/ Half year January-June. Comparable figures for 1926-27 for total imports were 2,687,000 bushels and imports for consumption 449,000 bushels.

DURUM WHEAT: Inspection by grade in the western grain division of Canada, 1923-24 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 - March 31				August 1 - July 31			
	No. 1	No. 2	No. 3	Total first 3 grades	No. 1	No. 2	No. 3	Total first 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24	1.3	22.3	52.1	75.7	2.0	22.7	49.2	73.9
1924-25	0.7	14.6	45.9	61.2	0.6	13.7	43.3	57.6
1925-26	3.6	28.6	18.6	50.8	3.4	27.3	18.6	49.3
1926-27	0.2	5.1	7.6	12.9	0.2	4.7	7.3	12.2
1927-28	0.1	7.7	34.2	42.0	---	---	---	---

Wheat prices

All classes of wheat continued to advance in price during March although the rise was somewhat greater with some classes than others. Stronger prices in the United States seem to have been influenced more by domestic conditions as they have advanced relatively more during March than prices at Liverpool.

The weighted average cash price of all classes and grades at the six principal United States markets remained quite steady throughout the month. Beginning at a point one cent above the high level in February the price advanced from \$1.35 per bushel the week ending March 3 to \$1.37 the following week, dropped 2 cents the next week, then advanced again to \$1.37 and continued at this level to the end of the month. The average price for the month was \$1.37 as compared with \$1.32 in February and \$1.34 a year ago. Of the various classes, the advance in hard winter and especially soft red winter was considerably greater than for the spring wheats. No. 2 hard winter at Kansas City advanced from \$1.35 at the beginning of the month to \$1.38 the second week, then dropped to \$1.36, but recovered to \$1.41 the week ending March 23 and continued at this price to the end of the month. No. 2 soft red winter at St. Louis advanced rapidly and steadily throughout the entire month from \$1.61 per bushel to \$1.76, a new high level for the season and 49 cents above last year's price. No. 1 dark northern spring at Minneapolis made only moderate gains during the month. Advancing from \$1.45 per bushel the week ending March 3 to \$1.48 the next week, the price then dropped back to \$1.45 but advanced to \$1.47 the week following this to continue at \$1.47 the remainder of the month. The price of No. 2 amber durum at Minneapolis failed to maintain the marked advance begun during the last part of February, for after reaching \$1.33 the week ending March 3 the price remained unchanged the following week then declined to \$1.31 for the week ending March 16. The price advanced to \$1.35 the following week but did not advance during the last week of the month. With the exception of No. 2 amber durum at Minneapolis, the prices of these grades of wheat are above those of last year.

Closing prices of May futures strengthened quite materially at the North American markets during March but only moderately at Liverpool. The advance in futures has been gradual except for a slight set-back on the United States markets the second week of March. Factors affecting the market during the month on the whole gave an optimistic tone to the market. The effect of adverse conditions in the soft red winter wheat district were off-set by conditions in the hard winter district where the outlook has been more favorable. Smaller stocks on farms and in country mills and elevators on March 1 as compared with last year and the fact that Europe continued to absorb large quantities of foreign wheat with steady to stronger prices were strengthening factors on the domestic markets.

The closing price of May futures at Chicago was 135 cents per bushel on March 1, then advanced to 138 cents a week later, declined 1 cent the third week, then advanced again to 144 cents by March 29. A week later the price had dropped to 143 cents as compared with 135 cents the year before. At Kansas City, on April 5, May futures were 134 cents as compared with 130 on March 8 and 127 cents the year before. Minneapolis May futures were 136 cents April 5 compared with 132 cents on March 8 and 133 cents the year before. The Winnipeg May futures, April 5, at 145 cents were 5 cents higher than a month before and 4 cents higher than the year before, while the Liverpool price, at 153, was only 2 cents higher than a month ago and also a year ago. The relatively greater advance in May futures at Chicago than at Liverpool has narrowed the spread between the Chicago and Liverpool prices from 15 cents (in favor of Liverpool) on March 1, to 9 cents on April 12 as compared with 18 cents a year ago.

WHEAT: Weighted average cash prices at stated markets

Months and weeks	All classes: No. 2				No. 1				No. 2			
	and grades: hard winter				dk. N. spring				amber durum			
	six markets: Kansas City				Minneapolis				St. Louis			
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents											
July	142	139	137	136	175	158	154	153	142	141		
August	135	136	131	135	156	150	153	140	154	142		
September	136	129	132	131	148	137	138	128	136	142		
October	139	125	139	123	153	134	150	123	140	145		
November	138	126	137	131	148	134	161	128	136	141		
December	139	128	138	132	148	137	174	132	137	144		
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928		
January	147	131	137	133	147	143	168	130	138	151		
February	136	132	135	133	146	142	160	129	135	156		
March	134	137	133	138	143	147	157	133	130	169		
April	135		131		141		154		129			
March 2	135	135	135	135	146	145	154	133	132	161		
9	136	137	135	138	146	148	163	133	133	166		
16	134	135	133	136	142	145	152	131	132	168		
23	130	137	129	141	138	147	158	135	126	170		
30	132	137	130	141	139	147	154	135	127	176		
Anril 6	133	140	131	143	140	151	155	135	129	181		
13	133		130		139		152		127			

WHEAT: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents											
March 1	140	135	133	127	139	129	142	139	150	150	129	130
8	139	133	132	130	139	132	143	140	151	151	130	132
15	136	137	130	129	135	131	140	141	149	151	129	133
22	134	141	126	132	131	134	139	142	147	153	127	133
29	134	144	127	135	132	137	140	143	149	153	129	134
April 5	135	143	127	134	133	136	141	145	151	153	128	135
12	133	149	126	140	133	142	139	150	151	158	127	137

a/ Prices are as of day previous to date of other market prices.

WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries
for 1924-25 to 1926-27, and estimates for 1927-28 as indicated
by production and carryover estimates

Country	Year beginning July 1					Net exports reported		
	1924-25	1925-26	1926-27	1927-28		July	to and including	
				estimate	estimate			
				Minimum	Maximum			
		Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States ..	255	92	206	210	230	Apr. 2	a/ 167	a/ 171
Canada	194	320	305	310	340	Feb.	210	b/ 211
Russia	1	27	49	7	15	Feb.	31	6
British India...	45	7	9	8	10	Mar.	7	10
Rumania	4	9	9	5	15	Jan.	10	10
Bulgaria	c/	4	2	2	6	Oct.	1	1
Hungary	15	19	21	15	20	Jan.	16	15
Yugoslavia	10	12	10	d/	3	Dec.	8	1
Algeria	e/	5	e/	3	6	Jan.	2	1
Total above N.:								
Hem.countries	524	495	611	560	645		452	426
Argentina	127	100	140	140	170	Apr. 7	91	127
Australia	124	77	87	55	80	Apr. 7	70	51
Chile	9	2	e/	0	10	Nov.	e/	e/
Total above S.:								
Hem.countries	260	178	227	195	260		161	178
Grand total.....	784	673	838	755	905		613	604
More probable estimates				810	860			

a/ Exports through March less imports through February.

b/ Exports through February less imports through December.

c/ Net imports.

d/ Reported as possibly on an import basis.

e/ Less than 500,000 bushels.

WHEAT: Summary of statistics, 1926 and 1927

Item	1926-27	1927-28
	: 1,000 bus.	: 1,000 bus.
<u>Production:</u>		
Est. world excl. Russia and China	3,421,000	3,539,000
46 countries reporting to date, excl. Russia	3,351,884	3,485,130
Europe, excluding Russia, 27 countries	1,206,432	1,261,887
Russia	809,650	749,560
United States	831,040	871,691
Canada	407,136	440,025
Argentina	220,827	238,832
Australia	160,587	109,000
<u>Carryover at beginning of crop year:</u>		
United States, July 1	98,000	124,000
Canada, stocks July 31	35,601	59,586
Argentina, January 1	35,339	<u>a/</u> (15,000)
Australia, January 1	---	<u>a/</u> (4,000)
<u>Trade movement beginning July 1:</u>		
Exports of exporting countries reported to date..	613,000	604,000
United States exports to March 31 less imports through February	167,000	171,000
Canada, exports through February less imports through December	210,000	211,000
Argentina, exports to April 7	91,000	127,000
Australia, exports to April 7	70,000	51,000
Imports of importing countries reported to date	363,000	375,000
<u>Supplies on hand and interior distribution:</u>		
United States -		
Farm stocks, March 1	130,007	130,230
Mill grindings, July 1 to February 29	391,000	387,000
Visible supply, March 31	53,827	73,220
Canada-		
Receipts at country elevators and platform lead- ings, August 1 to March 31	320,887	<u>b/</u> 366,000
Visible supply Western Grain Division, March 30..	96,940	119,592
Stocks at Ft. William-Pt. Arthur, Vancouver and Prince Rupert, March 30	49,952	85,858
Receipts, Ft. William-Ot. Arthur, Vancouver and Prince Rupert, August 1 to March 30	243,717	276,552
Shipments, Ft. William-Pt. Arthur, Vancouver and Prince Rupert, August 1 to March 30	206,636	326,764
Argentina-		
Exportable surplus, April 12	109,797	<u>c/</u> (83,000)
Australia-		
Exportable surplus, March 30	<u>a/</u> 51,000	<u>a/</u> 41,000
United Kingdom-		
Port stocks and afloat, March 31	80,400	77,500
Germany-		
Total stocks on farms, February 15	23,995	48,539
Stocks available for sale February 15	17,000	39,000

a/ Preliminary estimate. b/ March 21, 1928. c/ Preliminary estimate based on production and carryover less estimated consumption and exports to date.

The Continental European Wheat Situation a/

The revival in Continental demand for wheat during the first half of February continued up to the first of April, although a slightly quieter tendency has been evident since the middle of March, according to Acting Agricultural Commissioner L. V. Steere at Berlin. Buying of overseas wheat was active and the volume of sales large, according to reports from markets in all deficit countries, including Italy, France and Central European countries such as Austria and Czechoslovakia, as well as in Northwestern Europe. The long period of slow flour and grain buying at the close of the year and in the early weeks of 1928 apparently resulted in the accumulation of substantial trade requirements, the filling of which in recent weeks of active buying has imparted unexpected strength to the world wheat market and thereby stimulated even further buying. Continental demand has also been influenced by local factors, namely, the unusually cold March weather over much of the Continent, which has aroused concern as to damage to crops and delayed the spring sowing campaign. The growing scarcity of rye and mounting prices have also strengthened demand for wheat. These developments, together with evidence of rapid depletion of domestic stocks in many countries, now seem to indicate that grain requirements in most Continental countries during the balance of the season, excepting possibly in France, may closely approximate the high figures of last year for the corresponding period.

The flour market, after a month of much improved business, has been quieter since the middle of March, but there is every indication that wheat and flour are continuing to move rapidly into consumption, as wheat flour sales have been very large since early February, and still appear of good volume. Rye flour is in active demand, but offers are limited and prices strengthening. There can be little doubt that much wheat flour is now being substituted for rye, and will be substituted to an increasing extent during the balance of the season, especially in Germany and Central Europe. That the flour market, although quieter at the moment, is much improved as compared with January, is indicated by the reports of good export business being done by Belgian mills in surrounding markets and by the better tone of mill reports from the Danube Basin where milling capacity is excessive. Yugoslavia is now importing flour steadily, although as yet in moderate quantities, and Hungarian flour mills report a general improvement in business. Flour stocks generally are thought to have increased somewhat in recent weeks in Northwestern Europe, but they are not excessive.

Stocks of wheat in the hands of the Continental trade, as indicated by stock statistics and trade reports from different centers, have increased considerably during February and March as a result of the generally active buying, but are by no means excessive when consumptive requirements are taken into consideration. So far, this movement appears to be to a considerable extent a matter of bringing supplies of imported wheat up to a more normal

a/ Report of March 26, 1928, supplemented by cable of April 2.

level. February 29 visible stocks of wheat and rye at Berlin, amounted to 1,330,000 bushels (converted at 58 pounds per bushel) as compared with 836,000 bushels on January 31, and are thought to have increased further in March. Hamburg port statistics indicate the probability of increased wheat supplies, but it appears that stocks of rye have declined since the first of the year, because of much reduced importation.

Reports from all Continental European countries indicate the steady and rapid disappearance of domestic grain. Farm stocks in Germany are still much higher than a year ago and the same situation is thought to exist in France, but in Germany, at least, such stocks will not play a dominant role in the market from now on. The probable existence of somewhat larger stocks than last year in France seems likely, however, to limit import requirements during the balance of the season. Reports from Central Europe indicate the practical exhaustion of domestic supplies in Austria, Czechoslovakia and Yugoslavia, and the existence of only small supplies in Rumania, Bulgaria and Hungary; the latter, however, being relatively better supplied than the other two countries. Supplies of rye in the Danube Basin seem to be down to a minimum. In Germany, relatively more rye is available, in fact, somewhat more than a year ago, but the supply is inadequate to fill requirements, especially with the prospect that imports during the balance of the season will be much below last year's.

Available figures on Continental imports of wheat during February indicate a decline as compared with the months immediately preceding, the fall reflecting, naturally, the smaller overseas shipments at the close of the year. March reports, however, again indicate increased arrivals and a large volume of sales, so that March trade figures will doubtless reveal an increased volume of importation. The large Continental requirements before the new crop and the prospects for continued heavy overseas shipments, especially when Canadian exportation from Eastern ports is resumed, point to extensive import activity from now on. Trade opinion indicates the probability that Austria and Czechoslovakia will be almost entirely dependent on imported wheat hereafter, and heavy Mediterranean buying until the new crop becomes available is also being forecast. As to Western and Northern Europe, there is some evidence that previous ideas of requirements during the balance of the season will have to be further raised, as imports in this region to date continue to hold well above last year's figures, and give promise of being well maintained.

The following are end of March estimates of the wheat and flour import requirements of the principal European countries, as compared with earlier estimates:

WHEAT, INCLUDING FLOUR: Net imports into European importing countries
1924-25 to 1926-27 and estimates of probable imports as indicated
by production and early trade estimates

Country	Year beginning July 1					Net imports reported	
	1924-25	1925-26	1926-27	1927-28 estimate		1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Minimum Million bushels	Maximum Million bushels	Million bushels	Million bushels
						July to	
Great Britain ..	216	188	217	205	220	Feb.	136 : 118
Italy	96	64	88	90	100	Feb.	50 : 45
Germany	71	56	93	86	100	Feb.	59 : 64
France	41	34	53	50	64	Jan.	20 : 42
Belgium	39	39	42	40	44	Jan.	22 : 25
Netherlands	26	27	28	29	31	Feb.	19 : 21
Czechoslovakia ..	23	19	20	16	18	Feb.	13 : 13
Greece	22	a/(22)	a/(22)	(20)	(20)	b/	b/
Irish Free State:	19	18	19	18	21	Jan.	11 : 9
Austria	16	15	17	15	16	c/	4 : 4
Switzerland.....	14	14	17	15	17	Feb.	12 : 14
Sweden	11	6	6	6	7	Feb.	6 : 6
Norway	5	6	6	5	6	Feb.	4 : 4
Denmark	6	6	7	7	8	Jan.	4 : 5
Finland	4	5	5	4	5	Jan.	3 : 3
Poland	14	d/ (2)	7	2	6	Jan.	d/e/ : 2
Total above countries	623	517	647	608	683		363 : 375

a/ Rough approximation. b/ Not available for 1927. c/ July-September imports only. d/ Net exports. e/ Less than 500,000 bushels.

The upward revision in the estimate of German import requirements is necessitated by the continued maintenance of importation at a level above last year's figures, and the evidence that takings during the balance of the season may approximate last year's. The probable large reduction in German rye imports during the balance of the season is also a factor. The failure of Italy to import more wheat during February makes it advisable to lower ideas as to takings for the season as a whole. Italy will have very heavy requirements before July, but it does not seem probable that importation will reach the high total which seemed possible a few months ago. March-June takings, however, should exceed those of the closing months of last year. France has been a heavy importer so far this season as compared with last year, but takings are now declining and may fall off to an even greater extent, depending upon supplies of millable grain within the country, about which accurate information is lacking. French imports from now on seem likely, in any event, to be smaller during the remaining months of the season than they were last year. Imports during February and March should be significant of the probable course of trade between now and the new crop.

The continued large volume of Belgian imports points to the probability of as large requirements before July 1 as in the corresponding period last year, even though imports to date exceed last year's figures by a good margin. Czechoslovakia is now reported an increasingly important buyer of overseas wheat, but there is as yet no reason to revise previous ideas of this year's takings. The indications of some increase in demand are offset by the recent upward revision in official estimates of the crop. Denmark seems likely to take more wheat and flour than previously expected, as imports during the first half of the year were about 50 per cent greater than last year. The Danish wheat crop suffered considerable quality damage. There is also more evidence to indicate that Poland will require foreign grain before the new harvest, as recent trade reports indicate that the Polish government has given permission to a number of flour mills for the importation of certain quantities of wheat, in spite of the fact that a general prohibition on wheat imports is still in effect.

Germany

German markets report continued good buying of overseas bread grains during most of March, transactions centering mainly in Plates and Manitobas. Inquiry has been quieter since the middle of March, but the volume of business moving is still large. Business in overseas rye, however, was limited by the small quantity available. The increasing tendency of wheat and rye prices, strengthened by the improved demand, resulted in some increase of domestic offerings of wheat, but the latter continue relatively moderate on the whole. Offerings of domestic rye have not responded noticeably to higher prices, a fact which further confirms the shortage developing in this grain. The situation is clearly shown by the fact that prices for rye at Berlin are now only 1.3 cents a bushel below wheat prices, as compared with 7.9 below a month ago. Rye is normally considerably lower than wheat.

Wheat and rye prices in Germany, 1928

Item	:Feb. 1:	Feb. 8:	Feb. 15:	Feb. 22:	Feb. 29:	Mar. 7:	Mar. 21:	Mar. 28:	Apr. 4
	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents
Hamburg, wheat:	143.3	141.7	143.6	147.2	148.5	150.1	159.5	158.8	160.1
Breslau, wheat:	167.3	162.1	161.4	164.7	166.6	169.9	169.9	169.9	169.9
Berlin, wheat	146.8	146.2	147.5	150.7	162.4	156.6	160.5	159.2	159.2
Berlin, rye	138.9	139.2	140.4	143.4	142.8	148.5	156.7	156.1	157.9

The German wheat flour market was relatively active during the latter half of February and the first half of March, but recently reports some decrease in demand, a development, however, which seems to be of temporary nature. Rye flour continues to find an active inquiry, but supplies are limited and prices correspondingly high.

German imports of wheat are reported to have been at a greatly increased rate during March, following the drop in February to 6,560,000 bushels, the second smallest figure for a single month so far this season, but nevertheless above imports for February last year. Arrivals of foreign rye are reported as continuing to decline, as is also the case with port stocks. Imports in February were 1,244,000 bushels as compared with 1,278,000 bushels in January and 1,680,000 bushels in February last year. The movement of grain from seaport toward inland consumption centers, as indicated by data on water-borne traffic, is proceeding on a large scale, especially in the case of wheat. This doubtless explains the increase in Berlin visible stocks previously mentioned.

The German Agricultural Council Statistics on German farm stocks of grain on February 15 indicate only moderate marketings during the preceding month, a result, apparently, of the weakening tendency of market prices during most of the period, and also of the current high prices for feedstuffs, the latter tending to encourage feeding, especially of lower quality grain. Stocks of wheat available for sale on February 15 are calculated at about 39,000,000 bushels, and rye stocks at 34,000,000 bushels, as compared with about 17,000,000 bushels and 27,000,000 bushels respectively, a year previous.

The question of how much of this grain is millable, however, has an important bearing upon import requirements. A leading German grain paper has just estimated the millable stocks of wheat on farms on February 15, using the German Agricultural Council statistics of farm stocks and hectoliter weights (the latter published some time ago), at about two-thirds of the total available for sale. This would mean about 25,720,000 bushels or about 7 weeks' German consumptive requirements. In a similar way, rye stocks are estimated at 9-10 weeks' requirements. This calculation would indicate that German wheat import requirements between February 15 and July 1 will be about three months' consumption, or 44,000,000 to 47,800,000 bushels. Reduced rye imports would tend to increase this figure.

France

French grain market reports indicate brisk business during the last half of February and in March, although arrivals at the ports were declining during this period. Business was quieter the last of March, but purchases from Belgian markets are continuing and the trade is increasing its estimates of French import needs for the balance of the season. France has recently been reported an active buyer on the Belgian market.

The excessively wet weather experienced in France in January and February has given way to better conditions, and rapid progress with field work is reported. The amount of frost damage is still an uncertain factor.

Italy

Reports on various Italian markets up to March 20 indicate very active buying of overseas wheat. Offers of both near and forward positions afloat are said to have been plentiful during the period, but still demand was suf-

ficient to maintain prices. A slightly quieter tendency has existed since the middle of the month, as in other Continental markets, but trading is still good.

Belgium

Belgian market reports indicate a very active and generally satisfactory month in the grain trade, states Mr. Steere. Arrivals have moved steadily into consumptive channels and the outlook is improved. Flour mill stocks of grain are reported low, flour export and domestic sales developing well, and port stocks of grain very moderate. Belgian takings at the end of the month were comparatively active, with good turnover.

Danube Basin

Grain markets in the Danube Basin have shown themselves keenly sensitive to development in the western European centers during March. Business there also was quieter at the end of the month, but the volume of purchases was still good. Austria and Czechoslovakia, the two deficit countries, became very active buyers of foreign grain during the first half of the month, flour mills sharing in the revival of demand experienced all over the Continent. Inquiry has since become quieter, but numerous reports indicate that both countries will have to depend largely on imported grain from now on.

The surplus countries have felt the stimulus of higher prices and improved demand for grain, but only in Hungary has any volume of business developed, Rumanian and Bulgarian transactions being limited by small supplies at the ports and high prices asked by domestic holders. Port stocks in these countries are now reported very low and arrivals are running small. Hungary reports sales for export to Italy and Yugoslavia as well as Austria and Czechoslovakia. Hungarian flour mills have likewise experienced improved business.

Yugoslav reports now indicate the practical exhaustion of farm stocks of grain. The government is reported to have been buying domestic grain locally for supplying deficit districts, and at the same time some wheat importation has set in, principally in regions adjacent to Hungary. Foreign flour is also imported, some from the United States, although takings are as yet only moderate.

Poland

Reports from Poland indicate brisk business and rising prices of grain and flour during March. Domestic offers are said to have been restricted greatly during the month as a result of anxiety about frost damage to winter cereals. Possibly because of these developments, or of the need for mixing purposes, it has been reported recently that the government has given a number of mills permission to import a certain amount of grain, although the general prohibition has not been raised.

Wheat Balances, Season July 1 to June 30

	1926-27	1927-28
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>Germany</u>		
Production	95,429	120,522
Net imports:		
July-February	58,525	63,849
March-June	34,888	(22,500 - 37,000)
Apparent utilization	188,842	207,000 - 221,000
<u>France</u>		
Production	231,767	284,356
Net imports:		
July-January	20,286	42,075
February-June	36,629	(7,700 - 22,400)
Apparent utilization	288,682	334,000 - 349,000
<u>Italy</u>		
Production	220,642	195,808
Net imports:		
July-February	50,291	44,937
March-June	37,802	(45,100 - 56,100)
Apparent utilization	308,735	286,000 - 297,000
<u>Czechoslovakia</u>		
Production	34,130	40,385
Net imports:		
July-February	13,278	12,823
March-June	6,230	(3,400 - 5,450)
Apparent utilization	53,638	57,000 - 59,000
<u>Belgium</u>		
Production	12,801	14,449
Net imports:		
July-January	21,557	25,000
February-June	20,541	(14,500 - 19,100)
Apparent utilization	54,899	54,000 - 59,000
<u>Holland</u>		
Production	5,487	5,096
Net imports:		
July-February	19,000	20,995
March-June	9,788	(8,400 - 10,200)
Apparent utilization	34,275	34,000 - 36,000
<u>Poland</u>		
Production	47,080	54,229
Net imports:		
July-January	54	2,456
February-June	7,224	(280 - 3,000)
Apparent utilization	54,358	57,000 - 60,000
<u>Denmark</u>		
Production	8,767	9,553
Net imports:		
July-January	3,619	5,559
February-June	4,005	(2,000 - 3,000)
Apparent utilization	16,391	17,000 - 18,000