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FOREIGN NEWS ON WHEAT

CANADIAN EXPORT SURPLUS

The Canadian wheat exportable surplus is less than early reports on visible supply indicated. Losses in cleaning and unmerchantable grain are reducing the volume available for export. The increase of wheat in farmers' hands probably represents more lower quality wheat this year than last which may not move from the farms. The continued cold weather, which precludes an early opening of navigation on the Great Lakes this year, may tend to cut down the amount of wheat to be shipped out between now and June 30. According to last reports navigation was not expected to start soon in Lake Superior, whereas last year navigation opened at Fort William-Port Arthur on April 14.

Canadian exportable surplus for the four months April to July is estimated by the Canadian Bureau of Statistics at 90,566,000 bushels to 115,546,000 compared with a similar estimate of 92,302,000 bushels last year, allowing a carryover of about 50,000,000 bushels compared with 47,839,000 last year, according to a report received by the Foreign Service of the Bureau of Agricultural Economics. The 90,566,000 bushel surplus is based on production and carryover less consumption and stocks while the 115,546,000 is on the basis of estimated stocks on March 31. The Bureau of Statistics appears to accept the latter figure as the more probable and to consider the latest production figure as underestimated. The visible supply on March 31 as previously reported was 35,000,000 bushels greater than last year, which led to the expectation of a greater increase in surplus than the 23,244,000 bushels indicated above.

Total stocks on March 31 are reported by the Canadian Bureau at 219,546,000 bushels, an increase of 45,164,000 over stocks at the same time last year. However, farm stocks are reported at 64,654,000 bushels, an increase of 13,699,000 bushels over farm stocks a year ago, whereas earlier indications obtained by subtracting platform loadings and receipts at country elevators from total estimated production had indicated a smaller balance on farms than last year. Losses in cleaning and unmerchantable grain are also reported as approximately 10,000,000 bushels greater than last year.

Last year the exports from April 1 to August 1 did not equal the exportable surplus, amounting to only 82,683,000 bushels. The decreased exports and other factors increased the carryover from the expected 30,000,000 bushels to 47,839,000. In the past five years the Canadian exports from April 1 through June 30, the end of the United States wheat year, have ranged from 31 to 42 per cent of the total stocks on March 31, a smaller percentage of the supply being exported in years when stocks were low than in years when stocks were heavy. This range would indicate an export of 68,000,000 to 93,000,000 bushels in those three months this year compared with an export of 74,042,000 for that period last year. Considering that stocks are large this year, however, the exports will probably be near the upper margin or above it.

ARGENTINE EXPORTABLE SURPLUS REDUCED

The official estimate of Argentine exportable surplus of wheat on April 12 is 79,733,000 bushels, which is 30,064,000 bushels less than the corresponding estimate for last year. This is very close to the indicated surplus based on production and carryover less estimated domestic consumption and exports to April 12 which amounted to 83,000,000 bushels. Domestic consumption for 1925-26 and 1926-27 had been officially estimated at 77,000,000 bushels and the same figure was probably used in estimating this year's surplus. The third estimate of wheat production, 239,162,000 bushels, is only 330,000 bushels above the second estimate. Last year's crop was 220,827,000 bushels.

IMPROVED EUROPEAN DEMAND

In Europe there is an expectation in trade circles of continued heavy import requirements for the remainder of the season in France, Belgium and the Netherlands, according to a cable to the Foreign Service from Acting Agricultural Commissioner L. V. Steere on his return from a trip to those countries. Continental grain markets during the week ending April 17 were rather active everywhere after the slowing up of the previous week, according to Mr. Steere. Flour business in Germany improved and prices were firm to April 17 but declined on the 18th partly as a result of increased domestic offers. Wheat prices at Hamburg were quoted at \$1.65 per bushel on April 18 against \$1.62 on April 11. Rye prices at Berlin were quoted at \$1.74 per bushel against \$1.61 per bushel on April 11. Poland was an active buyer on the German rye market. Poland has prolonged the export duty on rye and rye flour to September 30. Both the total farm stocks of German wheat and rye and farm stocks still available for sale as estimated by the German Agricultural Council were greater on March 15 than at that time in 1927. The increase in stocks is probably accounted for by the poor quality of the 1927 crop.

European reports of new crop conditions are further stimulating the market for this year's grain. In France the amount of winter killing is estimated by the trade at 15 per cent of the area, of which only about half is being resown to wheat. This would indicate about 10,780,000 acres remaining for harvest compared with 12,994,000 acres harvested last year. The condition of the crop is also unofficially reported as below normal, whereas last year the condition was satisfactory in spite of some excessive rains. In Belgium and Holland there has been less winter damage and the condition is said to be not far from normal, although growth is delayed by cold weather. European grain crops have probably suffered further injury from the unusually cold weather accompanied by night frosts, snow and heavy rains which extended over Europe during the week ending April 19, according to Mr. Steere. Concern is felt for the crops in Poland which already had suffered from too much moisture. Considerable winter killing of grain is reported from Rumania. The late spring in Russia has been unfavorable to the winter crops and to the spring work. In North Caucasus spring has been delayed from 15 to 18 days. In the Steppes region there has been considerable winter killing and immediate aid is needed for resowing. During the week ending April 19 there were a few days of warm weather in the southern section but in the north there were heavy frosts and snow. Blizzards in the Kief region extended into Poland.