

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-22

August 6, 1928

FOREIGN NEWS ON WHEAT

JAPANESE WHEAT AND FLOUR SITUATION

The Japanese wheat crop is officially estimated at 33 million bushels compared with a crop of 31 million bushels last year, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus. The quality is extremely poor, however, and a higher percentage of foreign wheat than usual will be required for blending purposes to make standard grade flour.

Mills are now buying up the native crop and will not be active buyers of Canadian and American wheat for another month or two. The price of native wheat at mills is equivalent to \$1.43 a bushel, while the comparable price of United States Western No. 2 is \$1.71 a bushel and for Canadian No. 5 is \$1.47 a bushel. United States and Canadian together with Australian wheats make up the bulk of the Japanese imports. The exportable surplus of Australian wheat is reported to be very small and the price is higher than the wheat quoted above.

Stocks of foreign wheat are slightly below normal for this date. Mills are awaiting foreign price developments but predictions are made that there will be heavy purchases of low grades of Canadian wheat and lighter purchases of the higher priced, but indispensable, white wheat from the United States and Australia.

Flour prices are low, in keeping with low rice prices. Wholesale prices on July 27 for immediate delivery were \$1.63 per bag of 49 pounds. The domestic outlet for flour is good but export business both for immediate and future delivery is poor. An agreement to restrict production among the leading milling companies was terminated on June 1, but current operation of about 65 per cent of capacity is about the same as under the agreement.