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FOREIGN NEWS ON WHEAT

MANCHURIAN WHEAT SITUATION

The Manchurian wheat crop is believed by millers and other sources of information to be roughly 10 per cent larger than last year's good crop but of poorer quality, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner Paul O. Nyhus in the Orient. In spite of this large crop, however, there is an active interest in "club straight" flour at Dairen, according to Mr. Nyhus. The increase in production is due to a substantial increase in acreage which is explained by several years of favorable prices together with good yields and to the opening up of new lands. Excessive rains in late July and early August made harvesting difficult and reduced both the yield per acre and the quality below last year. Smut reduced the yield in many localities and there is considerable grain which is poorly filled and discolored. The principal type grown in North Manchuria is hard wheat.

Manchurian mills are anticipating supplies and operations fully as large as for the active season just closing. Throughout the past season mills in Manchuria had enough wheat to operate at practically full capacity and in addition there were exports in significant volume for the first time since 1922, the exports amounting to about 4,200,000 bushels, bought chiefly by Japan. Efforts were made the past season to market Harbin flour in Tientsin but with little success as it was impossible for Harbin millers to meet the prices of Shanghai and foreign flour in the Tientsin markets.

There is normally an outlet for certain quantities of "club straight" flour at Dairen as distinguished from the high gluten flour of Northern Manchuria, and there is an active interest in club flour there at the present time. Flour importers state that the recent drop in prices of western soft wheat flour has made prices very attractive at Dairen and that contracts for heavy September and October shipments have been made. The low prices together with demand for flour from soft white wheat are favorable to imports of that class of flour in spite of the large Manchurian crop of hard wheat, and importers are predicting that imports will be larger than last season's 245,000 bags of 49 pounds.

The wholesale price of Manchurian wheat at Harbin on August 15 for October delivery was \$1.04 a bushel.