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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to October 18, 1928)

The world's supply of wheat for the 1928-29 marketing season now appears likely to be about 5 per cent larger than the supply available for the 1927-28 season, but this increase will be largely offset by an increase in demand, according to the Foreign Service of the Bureau of Agricultural Economics. The Canadian crop is again of poor quality, but the quality of the European crop appears to be somewhat better than last year. The European market is strengthening. Agricultural Commissioner Steere reports a good demand for spot wheat to cover immediate requirements of mills in many parts of northern Europe, and prices have risen to higher levels.

World Wheat Supplies

September increases in estimates of production raise the total of crops in Northern Hemisphere countries reporting to date, outside of Russia, to 3,221 million bushels, an increase of 225 millions or 7.5 per cent over the estimates of last year's crops in the same countries. The significance of this increase in countries reporting is offset to some extent by poor wheat crops in Turkey, North China and poor bread grain crops in Russia. Reports to Agricultural Commissioner Steere indicate that the wheat crops of the Balkan countries may be overestimated by 40 million bushels. On the other hand, the German official estimate may be a little too low. In the Southern Hemisphere conditions have improved so that with the increase in acreage, the crops of Australia and Argentina may be 50 to 70 million bushels greater than last year.

In estimating an increase of about 5 per cent in the world's supplies, allowances are made for an apparent underestimate of last year's Canadian crop, 25 million bushels, an underestimate of the French crop, about 10 millions, and some increase in shipments to Turkey and Russia, the crops of which are not included in the supply figures for last year used in this comparison. The supply figures used in the comparison also include accounted for stocks, July 1, 1928, amounting to 346 million bushels as compared with 323 million bushels in the same positions July 1, 1927.

North America

The North American crop is now estimated at 1,466 million bushels, an increase of 141 millions or nearly 11 per cent over last year. The United States estimate has been revised upward by nearly 3 million bushels to 904 million bushels, putting the crop about 3.6 per cent above last year. The quality of this year's crop is estimated to be slightly better than average and better than last year, being placed at 89.4 per cent of a "high medium grade", compared with 88.4 in 1927 and an average of 88.8 for the ten years 1918 to 1927. The improvement in quality of winter wheat and Durum as compared with last year is only very slight, but there has been a greater improvement in other spring wheat.

The Canadian crop, on the other hand is reported to be poorer in quality than last year. The quality there is officially estimated in terms of a percentage of the average weight per measured bushel in the preceding ten years and is poorer this year than in any of the preceding five years, being 95 per cent compared with 97 in 1927, 96 in 1926, 101 in 1925, 97 in 1924 and 96 in 1923. Reports of frost damage have led to the expectation of a lowering of grades and a reduction in the amount of millable crop which would not show in the weight per bushel. There has been no revision to date of the official September estimate of production. The inspections of new crop wheat to the end of September showed that 75 per cent of the crop, excluding durum wheat, graded Number 1 to Number 4 northern inclusive (contract grades) against nearly 68 per cent for the corresponding period last year. As the early movement was largely from sections not seriously affected by the frosts, it cannot be taken as representative of the whole crop. The corresponding figure for the first eight days of October is only 55 per cent with a tendency to become lower rather than higher. The Canadian Pacific Railway reports that in Manitoba the crop is grading satisfactorily, mostly Number 2 and 3 northern, but in Saskatchewan extensive frost damage is revealed and in Alberta there is a great deal of variation in grades of wheat coming into elevators. Prairie fires in Alberta have destroyed some grain both in the shock and in graneries.

The lack of adequate storage facilities for the big Canadian crop is recognized as a problem this year and furthermore the increased use of combined harvesters and motor trucks by farmers tends to more rapid delivery. To meet this problem the Saskatchewan wheat Pool has offered a premium of one cent a bushel for wheat delivered after February which will be increased to 2 cents for wheat delivered after March 1 and to 3 cents for wheat delivered after April 1, according to Trade Commissioner J. Bartlett Richards at Winnipeg. The Alberta Pool has made a similar offer, of a premium of 1 cent a bushel on wheat delivered after December 30 and 2 cents after February 1. This schedule reflects the somewhat different conditions in Alberta where elevator capacity is smaller than in Saskatchewan and where they are less affected by the closing of the lakes since they can ship via Vancouver.

Farmer's deliveries have been unusually heavy in spite of these measures. Total receipts at country elevators and platform loadings reported this season to September 30 amounted to 131 million bushels compared with only 39 million last year and 52 million the year before. These heavier marketings are partly reflected in the stocks in store in the western grain division which on October 5 were 86 million bushels compared with only 31 million at the same time last year and 41 million in 1926. More grain is being held at interior points and more is being shipped away from the western division this year than in the past two years, so stocks are not yet heavy at the terminal elevators. Total receipts at Fort William, Port Arthur, Vancouver and Prince Rupert up to October 5, were 57 million bushels compared with 18 million in 1927 and 46 million in 1926. Total shipments from these points through October 5, equaled 60 million bushels this year compared with 30 million last year and 36 million in 1926. There has been a big increase in the shipments from Vancouver, the total so far this year amounting to 4,800,000 bushels compared with only 461,000 last year and 534,000 in 1926. Stocks in store at Fort William, Port Arthur October 5, were only 22 million bushels compared with 12 million last year and 21 million in 1926.

The European crop

Upward revisions have been made in the production estimates of several European countries during the past month and the European crop outside of Russia reported to date is 1,356 million bushels, an increase of 121 million bushels or 9.8 per cent over last year's crop. Most later revisions are expected to be downward rather than upward. This total includes much larger estimates than usual in some of the southeastern countries and the belief is general that they are too high. The estimate for Italy has been reduced by nearly 8 million bushels, and that for Spain by 12 million. The Spanish crop as now reported is the smallest in recent years and may necessitate imports.

Russian procurings during September tend to bear out the official estimates of a decrease in bread grain production although the latest report from the International Institute of Agriculture indicates a smaller reduction in crop than was previously reported, the total wheat and rye crop as now reported being only about 3 per cent below last year. This apparent improvement in the situation is brought about partly by downward revisions in last year's estimates, but also by an increase in the report of 1928 wheat production. Russian wheat and rye production figures together with those for other countries are given on pages 5 and 6. Wheat and rye procurings in September totaled 38,662,000 bushels compared with 42,013,000 last year. Wheat procurings alone were larger than last year, amounting to 29,725,000 bushels this year compared with 27,998,000 bushels in 1927.

All reports of this year's crop in Europe indicate good quality. In Germany 57 per cent of the winter crop, which constitutes about 90 per cent of the total, is reported as weighing over 59 pounds to the measured bushel, whereas, last year only 29 per cent of the winter wheat weighed so much. Rye is also much heavier this year than last. See table, page

Asia

Turkey is reported to have a short crop, one report placing it at 45 per cent below a normal crop. The normal Turkish crop is not known. Production in 1925 was reported at 39,510,000 bushels, which was a larger crop than usual, judging by the shipments of wheat to that country from the United States and Canada. In North China famine conditions appear to be more acute than reported a month ago. No change is reported in other parts of the Orient. There appears to be a good market for American Club straight flour, but good crops of the native wheats in Manchuria, in Japan and the region supplying the Shanghai mills give no promise of heavy imports of other wheats at least until later in the season.

Southern Hemisphere

Conditions in Argentina and Australia continue favorable and the present outlook is for a larger crop than in any recent year. In Argentina weather conditions as reported through most of the season appear to be fully as good as if not better than last year when the yield was 12.1 bushels to the acre. That yield on the acreage now reported would give a crop of about 250 million bushels. Changes in temperature in October have an important bearing on the size of the Argentine crop and by the end of the month a more careful indication of the size of the crop may be available. In Australia rains have occurred in the dry areas in the east which appear to have helped the crop materially and as conditions in western Australia have been good throughout the season it now seems probable that a better than average harvest may be realized, probably between 150 and 170 million bushels, unless conditions change materially the balance of the season, as compared with 110 million last year.

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Average 1909-1913	1925	1926	1927	1928 preliminary
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada	197,119	395,475	407,136	440,025	550,482
United States	690,108	676,429	831,040	872,595	903,865
Mexico	a/ 11,481	9,213	10,333	11,890	11,332
Total	898,708	1,081,117	1,248,509	1,324,510	1,465,679
EUROPE					
France	325,644	330,844	231,767	276,128	277,669
Italy	184,393	240,845	220,644	195,809	228,580
Spain	130,446	162,592	146,599	144,825	128,935
Germany	131,274	118,213	95,429	120,522	126,463
Rumania	a/158,672	104,741	110,883	96,734	130,512
Yugoslavia	62,024	78,646	71,427	56,568	105,361
Hungary	71,493	71,675	74,909	76,933	93,328
Poland	63,675	57,797	47,060	54,230	53,645
Bulgaria	37,823	41,360	36,544	47,346	51,104
Other Eur. count. rept'g in 1928 excl. Russia	162,286	154,676	140,550	166,056	160,310
Total Europe rept'd in 1928 excl. Russia	1,327,730	1,361,389	1,175,832	1,235,151	1,355,907
Other Europe excl. Russia	20,440	29,449	27,682	29,121	(27,500)
Total Europe excl. Russia	1,348,170	1,390,838	1,203,514	1,264,272	1,383,400
NORTH AFRICA					
Morocco, Algeria, Tunis and Cyrenaica	58,885	68,905	52,930	61,244	68,236
Egypt	33,662	36,248	37,207	44,346	(40,000)
Total North Africa	92,547	105,153	90,137	105,590	108,000
ASIA					
India, Japan, Chosen	383,827	371,047	363,598	375,370	331,308
Syria, Cyprus, Lebanon & Palestine	12,519	16,451	19,202	18,425	(18,900)
Total above Asiatic count.	396,346	387,498	382,800	393,795	350,200
Total count. rept'g 1928 (31).	2,669,150	2,882,458	2,840,869	2,996,275	3,221,130
Total all above countries	2,735,771	2,964,606	3,924,960	3,088,167	3,307,000
Est. N. Hemis. total ex. R & C	2,759,000	3,026,000	2,981,000	3,136,000	
SOUTHERN HEMISPHERE					
Argentina	147,059	191,141	220,827	239,162	b/(250,000)
Australia	90,497	114,504	160,762	109,925	b/(160,000)
Other Southern Hemisphere count.	44,000	57,000	58,000	54,000	
Total S. Hemisphere estimate	282,000	363,000	440,000	403,000	
Est. world total ex. R & C	3,041,000	3,389,000	3,421,000	3,539,000	
Russia, production	758,941	730,090	819,744	749,026	c/859,789
Russia, net exports	160,000	27,000	49,000	(7,000)	

Compiled from official sources and International Institute of Agriculture except rough estimate for 1928. Russia and China abbreviated R. and C. a/ Four-year average. b/ Rough forecast on basis of acreage and conditions reported to date. c/ Rye production is small this year and geographical distribution of Russian grain crop is unfavorable. There is also a larger proportion of spring wheat this year which is used more largely for domestic consumption than winter wheat.

RYE: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Average 1909-1913	1925	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	36,093	46,456	40,795	56,811	43,274
Canada	2,094	9,158	12,179	14,951	16,879
Total	38,187	55,614	52,974	73,762	60,153
EUROPE					
Netherlands	16,422	16,396	13,644	13,594	17,047
Belgium	23,644	21,704	20,108	21,854	27,676
Luxemburg	651	360	353	354	331
France	52,501	43,662	30,076	33,955	35,352
Spain	27,636	29,880	23,504	26,515	24,200
Portugal	2,300	4,599	3,638	4,677	3,418
Italy	6,317	6,704	6,496	5,937	6,5[illegible]0
Switzerland	1,783	1,642	1,583	1,589	1,705
Germany	368,337	317,418	252,187	269,025	303,280
Austria	23,785	21,656	18,712	20,126	19,239
Czechoslovakia	63,538	58,097	45,908	49,297	52,674
Hungary	31,377	32,524	31,416	22,365	32,518
Yugoslavia	9,004	7,864	7,454	5,923	8,563
Greece	1,129	1,566	1,412	2,420	2,337
Bulgaria	8,345	7,154	7,133	8,243	9,019
Rumania	20,644	7,997	11,242	9,323	11,833
Poland	218,943	257,249	197,289	223,939	232,274
Lithuania	24,283	26,117	13,810	21,188	19,086
Finland	10,490	13,683	11,908	12,892	10,942
Total Europe	911,129	876,272	697,873	753,216	818,044
Total above countries	949,316	931,886	750,847	826,978	878,197
Est. N. Hemis. total, excl. Russia and China	1,023,000	1,000,000	807,000	878,000	
Est. world total excl. Russia and China	1,025,000	1,007,000	812,000	887,000	
Russia	735,505	877,500	903,100	933,033	783,433

Other Crops Which are a Factor in the Wheat Market

The European rye crop outside of Russia reported to date is estimated at 818 million bushels, compared eith 753 million bushels in the same countries last year and 876 millions in 1925. The increase in the rye crop as compared with last year will, of course, result in lower rye prices, and possibly more of the rye will be fed to livestock. The European barley and oats crops are somewhat larger than last year but the corn crop is short. Corn production in six southern European countries from which reports have been received to date totals 276 million bushels, compared with 327 millions last year and 472 millions in 1926. In northern Europe the potato crop is sometimes a significant factor in the wheat market. The crop reported to date is not quite so large as last year.

World Market Prospects

Wheat is moving into consumption at a good rate and markets in general are strengthening. Prices rose in September and market activity improved. Agricultural Commissioner Steere at Berlin reports buying active in Continental Europe to October 13, with large quantities changing hands. Stocks in trade channels were at a relatively low level nearly everywhere at the beginning of September and this gave rise to a good demand for spot wheat to cover immediate requirements of mills in many parts of northern Europe. Port stocks of imported grain at the end of September seemed to be somewhat larger than at the beginning of the month but were still moderate. As a result of hand-to-mouth buying, it seems certain that Continental European millers' requirements for overseas grain will be extensive in the next few months.

The marketing of the continental wheat crop is proceeding slowly. Lateness of crops and field work have been factors in the delay but dissatisfaction with current prices also appears to be a factor. There seems to be a rather general tendency for farmers to hold their grain wherever possible. The trade is expecting increased marketings as soon as seasonal work slackens and this is probable, but there seems to be a noticeable tendency to hold even in the Danube Basin where work is advanced. Danube offerings which were reported to be large about the middle of September have slackened and marketings are more steady.

September developments in Russia indicate with more certainty than ever that Russian participation as a wheat exporter is not to be expected this season. It would not be surprising if Russia again enters the markets as an importer next Spring, and at an earlier date and on a larger scale than last year. Russian press statements, many of them quoting Government officials, now admit practical failure of the winter wheat crop in the Black and Asov Sea regions and even point to the existence of a serious problem in supplying the population with adequate foodstuffs in some parts of this section. Other reports also indicate a tense situation in the large consuming centers. The total Russian crop of bread grains is now officially placed below that of last year, with poor yields in the important export regions and the best outturn in the eastern part of European Russia and the western part of Siberia, where the problem of transporting grain to the consuming centers is a formidable obstacle. Recent reports are also much concerned over wet grain in many parts of this region, which is especially significant when the grain is so far from market.

Wheat imports into Japan during July and August from the United States, Canada and Australia were 1,805,000 bushels, compared with 1,948,000 bushels for those months last year, when they represented 96 per cent of the Japanese imports of wheat. Imports of United States and Australian wheat were less than a year ago, whereas Canadian wheat showed about the same as last year.

European Import Requirements

European wheat import requirements for the 1928-29 season probably will not be much less than for last season. The increase of about 121 million bushels in Europe outside of Russia indicated to date by official forecasts and estimates is probably greater than the real increase in production. Reports to the Berlin Office indicate that the production of the four surplus-producing Balkan countries may be about 40 million bushels less than the official estimates received to date. The official German estimate may be too low by 5 or 10 million bushels and the estimates of some of the other North European countries may be slightly increased, but not enough to offset the overestimates of the Balkan countries. There is some evidence also that last year's French crop was underestimated, and, therefore, this year's crop is not so much in excess of last years as is indicated by the comparison of the official figures. In other words, the actual increase in European production outside of Russia is probably less than 100 million bushels. Some improvement in quality adds to the significance of this increase. Mr. Steere estimates the improvement in quality to be equivalent to an addition of about 18 million bushels to the crop, On the other hand, conditions are favorable for a material increase in European consumption.

It is a well recognized fact that European consumption is larger in years when domestic crops are large than in years when the domestic crops are small. Apparently when wheat is pentiful more is used on farms as well as in the homes. The unusually low price of wheat at the beginning of this season, small stocks of overseas grain, together with a poor corn crop in southern Europe and a shortage of feed supplies over much of the Continent will tend to increase import needs this year and offset the increase in bread grain supplies. Mr. Steere estimates that low prices, reduced stocks and feed shortages will increase consumption by 20 to 30 million bushels in the deficit countries. He further estimates that a short corn crop and low prices in the Danube Basin may reduce exports from that territory by about 25 to 30 million bushels from what they would export on the basis of last year's supplies and exports. Should some of the European markets choose to stock up on the low-priced wheat from this year's crop, European takings for the season may yet equal last year's takings.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 - 1928-29

Country from which exported	1923-24	1924-25	1925-26	1926-27	1927-28	Prel. est. 1928-29 Min	Prel. est. 1928-29 Max	Net exports reported July 1 to	1927-28	1928-29
	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush		Mil bush	Mil bush
United States	132	255	92	206	191	200	220	Oct 13	a/100	a/ 53
Canada	343	194	320	305	305	345	390	Aug 31	23	65
Russia	21	1	27	49	7	0	-15	Oct 15	1	b/
British India	18	45	7	9	12	-5	-20	Oct 15	8	1
Hungary	17	15	19	21	22	25	30	)		)
Rumania	c/ 6	4	8	11	5	15	20	)Sept 29	2	1)
Bulgaria	c/ 2	c/d/-2	4	2	2	5	10	)		)
Yugoslavia	c/ 6	9	12	10	1	20	30	)		)
Algeria	c/ 9	d/ -1	5	d/e/-1	4	2	5	Aug 31	1	1
Argentina	170	125	100	140	186	125	160	Oct 15	23	26
Australia	83	124	77	97	74	75	85	Oct 15	18	14
Total all coun. listed	807	769	671	849	809	807	915		176	161

a/ Exports through October 13 less imports through August. b/ Less than 500 bushels. c/ Year ended July 31. d/ Net imports. e/ 10 months.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1923-24 - 1927-28 and estimates of probable imports, 1928-29 as indicated by reports to date

Country	Year beginning July 1: 1923-24	1924-25	1925-126	1926-27	1927-28	Prel. est. 1928-29 Min	Prel. est. 1928-29 Max	Net imports reported July 1 to	1927-28	1928-29
	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush		Mil bush	Mil bush
Great Britain	210	216	188	218	194	200	220	July 31	38	36
Italy	70	96	64	87	87	70	80	Aug 31	13	16
Germany	30	71	56	94	92	75	90	Aug 31	17	14
France	51	41	34	53	54	45	60	July 31	10	3
Belgium	40	39	39	40	42	39	42	Aug 31	7	7
Netherlands	27	26	27	28	31	28	31	Aug 31	4	4
Czechoslovakia	19	23	19	21	21	20	24			
Greece	19	22	a/(22)	(20)	a/(20)	18	20			
Irish Free State		19	18	19	18	18	20	July 31	2	1
Austria	17	16	15	17	15	16	18			
Switzerland	16	14	14	17	18	16	18	Aug 31	3	3
Sweden	12	11	6	6	9	10	12	Aug 31	2	1
Norway	6	5	6	6	6	5	7	Aug 31	1	1
Denmark	9	6	6	7	11	10	12	Aug 31	1	2
Finland	5	4	5	5	6	5	6	July 31	b/	b/
Poland	3	14	c/ 2	7	8	5	10	July 31	b/	1
Total above	534	623	517	645	632	580	670		98	89
Principal non-Eur. count.						150	165			
Total above importing count.						730	835			

a/ Rough approximation. b/ Less than 500 bushels. c/ Net export.

WHEAT AND WHEAT FLOUR: Supply, distribution and per capita consumption in terms of wheat, 1925-1928

Item	Year beginning July 1			
	1925	1926	1927	1928
	Million	Million	Million	Million
Wheat flour in terms of grain	bushels	bushels	bushels	bushels
Supply:				
Stocks, July 1 (commercial) a/	17	16	18	19
Visible b/	9	10	9	9
Mill grindings (commercial mills) a/ .	534	554	555	
Mill grindings (custom and small mills)	10	10	10	
Imports	---	---	---	
Total available supply	570	590	592	
Accounted for:				
Shipments to Alaska, Hawaii, Porto Rico	2	3	3	
Exports	43	63	58	
Stocks, June 30 (commercial) a/	16	18	19	
Visible	10	9	9	
Total accounted for	71	93	89	
Available for consumption	499	497	503	
Population, January 1 following year (millions)	116.3	117.9	119.3	
Per capita consumption (bushels)	4.29	4.21	4.22	
Supply and utilization of wheat				
Total supply as of July 1	790	929	996	1,019
Imports (grain only)	16	13	16	(16)
Total supply for the season	806	942	1,012	(1,035)
Mill grindings	544	564	565	(570)
Seed	82	88	94	(85)
Exports (grain only)	63	156	146	(150)
Accounted for use	689	808	805	(805)
Remainder to be accounted for	117	134	207	230
Carryover (including wheat of merchant mills in transit)	98	124	128	(150)
Unaccounted for (feed, waste, etc.)	19	10	79	(80)

Figures in parenthesis are interpolations indicating approximately how this years supply may be utilized.

a/ Compiled from United States Census estimate. Estimated to represent all merchant mills.

b/ Chicago Board of Trade as published in the Chicago Daily Trade Bulletin.

Wheat Prices

Wheat prices generally continued low in September. Farmers reported an average price of 94 cents per bushel as of the middle of September, compared with 95 cents in August and 119 cents in September, 1927. The prices of all classes and grades at six principal markets increased from 107 cents per bushel the second week in September to 111 cents the week ending September 28. October began with lower prices, averaging 107 the first week and averaged 109 the second week, the drop being caused largely by heavy sales of durum at low prices.

Soft red winter wheat prices continue about on a par with last year. The price of No. 2 soft red winter at St. Louis the second week of October averaged 149, compared with 147 for the corresponding week in 1927. Other classes of wheat are generally from 10 to 20 cents under the prices of a year ago. Hard winter protein premiums are somewhat less, but spring wheat protein premiums at Minneapolis are running somewhat higher than last season.

Closing prices of December futures on October 18 showed little change from a month ago for thetchief Unites States markets and Winnipeg. Liverpool showed an advance of 5 cents and Buenos Aires an advance of 7 cents. Futures prices in United States markets for a like period last year showed a decline of 3 to 4 cents. Winnipeg and Liverpool showed little change last year, while Buenos Aires dropped 4 cents. Prices, however, are 10 to 12 cents lower than a year ago for the United States markets, 9 cents for Winnipeg, 15 for Liverpool and 13 cents lower for Buenos Aires compared with last year. Future prices have dropped slightly for the past week in the United States markets while they have held about steady in foreign markets or raised slightly.

Although the world wheat supply this season appears to be about 5 per cent larger than the supply available for last season this increase will be partially offset by an increase in the demand. Short wheat and rye crops in Turkey and North China will provide a market for some of the increase in production. Short corn crops in the Balkan countries will cause an increase in the consumption of wheat in the countries which are in the habit of consuming large quantities of corn as a food.

Prospects are in general that wheat prices will hold near present levels during the next few weeks, with fluctuations due to reports of crop conditions in the Southern Hemisphere and European buying. The closing of the Lakes about the first of December will temporarily affect competition from Canada. A continuation of low prices will lead to an increased consumption. Ultimately the market will be strengthened by more material evidence of the real demand for wheat. Prices of soft red winter wheat should continue at about present levels and may go somewhat higher before the year ends. Some increase in price is to be expected in hard red winter and spring wheats before the end of the season.

WHEAT: Weighted average cash price at stated markets

Period	All classes and grades six markets 1927	All classes and grades six markets 1928	No. 2 hard winter Kansas City 1927	No. 2 hard winter Kansas City 1928	No. 1 dk.n.spring Minneapolis 1927	No. 1 dk.n.spring Minneapolis 1928	No. 2 amber durum Minneapolis 1927	No. 2 amber durum Minneapolis 1928	No. 2 red winter St. Louis 1927	No. 2 red winter St. Louis 1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	139	126	136	120	158	147	153	123	141	147
Aug	136	109	135	106	150	124	140	108	142	138
Sept	129	109	131	117	137	126	128	106	142	145
Oct	125		128		134		123		145	
Nov	126		131		134		128		141	
Dec	128		132		137		132		144	
Jan	131		133		143		130		151	
Feb	132		133		142		129		156	
Mar	137		138		147		133		169	
Apr	151		152		163		141		196	
May	151		160		178		140		196	
June	142		147		153		131		179	
Sept 7..	133	110	132	106	143	125	135	104	145	147
14..	128	107	129	105	136	123	126	104	142	143
21..	126	108	129	107	134	126	122	107	140	145
28..	127	111	131	110	136	130	123	109	143	148
Oct 5..	126	107	132	110	133	125	122	109	149	145
12..	128	109	131	111	136	124	126	113	147	149
19..	126		126		137		124		142	
26..	121		125		131		120		141	
Nov 2..	123		128		132		121		143	

WHEAT: Closing prices of December futures

Date	Chicago 1927	Chicago 1928	Kansas City 1927	Kansas City 1928	Minneapolis 1927	Minneapolis 1928	Winnipeg 1927	Winnipeg 1928	Liverpool 1927	Liverpool 1928	Buenos Aires 1/ 1927	Buenos Aires 1/ 1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept 13.	130	113	123	107	129	110	129	110	151	129	2/138	2/110
20.	129	115	123	109	127	112	128	118	150	131	3/134	2/110
27	130	118	125	112	128	115	131	116	152	135	3/133	2/113
Oct 4	132	118	126	112	129	114	131	118	152	136	3/131	2/115
11	134	117	125	111	128	113	131	118	152	135	3/131	4/117
18	125	115	120	110	123	111	127	118	151	136	3/130	4/117
25	125		119		123		127		150		3/127	
Nov 1	126		121		123		127		147		4/127	

1/ Prices are as of day previous to date of other market prices. 2/ October future. 3/ November future. 4/ February future.

Germany

Wheat prices at Hamburg rose 7 cents during the last month after a drop of 32 cents from July 4 to September 12. They are now 17 cents below a year ago. Rye prices at Berlin have shown little change during the past month but have fallen off 37 cents since July 4 and are now 17 cents below last year's prices.

SPOT PRICE per bushel of wheat at Hamburg and rye at Berlin

Date	Wheat - Hamburg		Rye - Berlin	
	1927	1928	1927	1928
	Cents	Cents	Cents	Cents
July 4	193	164	157	163
11	184	163	155	164
18	183	160	152	156
25	183	157	151	150
Aug 1	182	157	132	148
8	not rec'd	155	130	140
16	" "	150	135	137
23	" "	153	145	134
30	169	148	142	131
Sept 6	not rec'd	139	149	133
12	172	132	151	125
19	163	134	145	126
26	162	136	146	127
Oct 3	160	138	144	126
10	158	141	143	126
17	158		148	
24	156		151	
31	156		142	

Source: Cables from L.V. Steere, Agricultural Commissioner, Berlin.

Japan

The milling industry in Japan was somewhat slack during the latter part of September and the first of October, due mainly to the seasonal decrease in the domestic demand, according to a cable from Consul Kemper at Tokyo. The export demand for flour on the other hand was good. The domestic flour market was weak and the price of standard flour on October 1 was $1.60 per bag against $1.63 on September 1 and August 1. The price of United States western white, No. 2 wheat, at mills in Japan on October 1 was quoted at an equivalent of $1.65 against $1.59 on September 1 and $1.71 on August 1. Canadian No. 5 was $1.40 on October 1, or 4 cents below the price of September 1. Australian wheat was $1.67 against $1.65 on September 1.

The Pacific Coast Wheat Situation

Pacific Coast wheat prices have already responded to the shortage of soft wheats in the eastern part of the United States. For the week ending October 5 the cash price of western white at Seattle averaged 118 cents per bushel as compared with the price of No. 2 red winter at St. Louis of 145. Although western white wheat is not a perfect substitute for the soft red winter wheats of the Ohio Valley, it has been selling in St. Louis at prices only a few cents under those of soft red winter wheat.

The differential in prices between the Pacific Coast and St. Louis has been sufficient to cause a considerable amount of wheat from Idaho to be shipped eastward by rail. There has also been shipment of wheat by boat to the Atlantic seaboard, the Columbia River shipments having been, during the period July 1 to September 30, 121 thousand bushels this year as against one thousand last year. Puget Sound shipments during the same period were 39 thousand this year as against none last year. These shipments by rail and by sea indicate that the present differentials between Pacific Coast prices and eastern prices are about as large as they can be, except over short periods, or late in the season when the wheat has moved out of the more eastern part of the wheat regions tributary to the Pacific Coast, and when there is not sufficient time to ship by water from the ports. The rail freight rate from the Coast to St. Louis is 37.2 cents per bushel.

The shortage of soft wheat in the east has affected the Pacific Coast situation, not only through a direct demand for wheat to be shipped east, but also through an increased demand for soft wheat flour from the Pacific Coast. According to the Northwestern Miller, "the large milling capacity of Utah and Southern Idaho, operating at full capacity and shipping 60 to 90 per cent of its output to the domestic East, has not been able to supply the increasing eastern and southeastern demand caused by the short winter wheat crops of the Ohio Valley, and buyers continue to look to the Pacific Northwest to fill the deficiency." A report to the Northwestern Miller from Portland says:

> "There were inquires from China for January flour, but the mills were not prepared to sell so far ahead, because of the lightness of wheat offerings.
>
> "Southeastern and Atlantic Coast business was good, sales having been the largest in recent years to date. Mills are well booked ahead on foreign and domestic orders, some of them until well after January 1."

Wheat ground during August in Idaho and the three Pacific Coast States was 4,256,000 bushels as compared with 3,367,000 bushels last year.

As has been indicated, the increased demand for Pacific Coast wheats is due to the United States having an unusually small crop of soft wheat this year. Estimates of wheat production by classes are of uncertain accuracy, but the best information available indicates a soft red winter wheat crop of 139 million bushels this year as compared with 180 million bushels last year, and the average for the five preceding years of 222 million bushels. The production of white wheats, which are only partly soft, appears to be this year about 65 million bushels as compared with 94 million bushels last year, and 77 million bushels for the average of the five preceding years. Stocks of the soft wheats also appear to be unusually low.

In all but one of the past eight years No. 2 red winter at St. Louis has, during the latter half of the crop year, sold at a premium over No. 2 hard winter. In five of these years the price of the soft wheat relative to that of the hard has been higher in the latter half of the year than during the months July to December. This, in conjunction with the very short crop of soft wheat of this year, suggests that the Pacific Coast may do well to consider the possibility of so handling its crop as to benefit from the higher premiums on soft wheat which may develop later in the year. However, with the premium on soft winter in St. Louis now running at about 30 cents per bushel, there is a real question whether the soft wheat millers will be willing to pay a much greater differential. Any great improvement in soft wheat prices may be contingent upon a rise in the price of the varieties which are on an export basis.

Last year, though a considerable amount of soft red winter wheat was exported early in the year, there developed a shortage of this class of wheat. During the period January to June, 1928, the price of No. 2 red winter at St. Louis averaged 28 cents above No. 2 hard winter, and in April it was 39 cents above.

It appears that last year's consumption (production minus exports) of soft red winter wheat in the United States was about 167 million bushels. Consumption of white wheats appears to have been about 64 million bushels, making the combined consumption of soft red winter and white wheat 231 million bushels. It will be seen that the total production of soft red winter this year appears to be nearly 30 million bushels below the consumption of last year -- a year in which the premiums for the soft red winter ran high. The total production of soft red winter and white wheat this year is estimated to be nearly seven million bushels below the consumption of last year.

The demand for soft wheat flour is sufficient to require for domestic milling all of the good quality soft wheats which now remain in the country, and the Pacific Coast may expect the prices of their soft winter and white wheats to move in much the same way as soft red winter does in the East. A narrowing of the margin between them is in prospect only in case the local mills are faced with a shortage of wheat and are able to get higher prices for flour. The three Pacific Coast States and Idaho appear to have a crop of about ten million bushels of soft red winter wheat this year as compared with twelve million last year, and a crop of 71 million bushels of white wheat as compared with 77 million last year.

WHEAT: United States production by classes, 1923-1928

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum a/	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	797	126	272	242	56	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1926	831	121	229	360	48	73
1927	872	199	181	318	80	94
1928						
(July)..	800	155	122	368	82	74
(Oct) ..	904	203	139	386	90	85

These production estimates are based upon percentages of area, by classes in 1924, supplemented by percentages in 1923.
a/ Crop estimates of four States plus 1924 indications in other States.

GERMANY: Weight of wheat and rye per bushel, 1927 and 1928

Weight per bushel	Winter wheat a/ 1927	Winter wheat a/ 1928	Weight per bushel	Winter rye 1927	Winter rye 1928
	Per cent	Per cent		Per cent	Per cent
Less than 57 lbs.	28	7	Less than 53 lbs.	31	7
57-59 lbs.	43	36	53-55 lbs.	46	38
over 59 lbs.	29	57	over 55 lbs.	23	55

a/ 90 per cent of the total wheat crop in 1928 was winter wheat.

GERMANY: Grains stocks in farmers' hands and stocks available for sale, September 15, 1927 and 1928

Crop	Stocks held by farmers: Sept 15, 1927	Stocks held by farmers: Sept 15, 1928	Stocks available for sale: Sept 15, 1927	Stocks available for sale: Sept 15, 1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Winter wheat	97,296	a/ 101,426	77,705	a/ 85,472
Winter rye	226,796	251,025	133,425	164,361
Winter barley	10,890	10,985	6,095	5,582
Spring barley	94,983	93,419	68,336	72,400
Oats	420,632	404,707	163,907	170,403

a/ Not definitely stated to be winter wheat only, but no change has been reported in the system of expressing stocks of winter and spring wheat separately, so this is assumed to be winter wheat. Winter wheat comprises 90 per cent of the 1928 wheat production.

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