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# FOREIGN NEWS ON WHEAT

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## WORLD WHEAT CROP AND MARKET PROSPECTS
To August 12, 1929

Conditions to date indicate that the world's supply of wheat for the 1929-30 season will be about 3,900,000,000 bushels, as compared with 4,286,000,000 last year, a reduction of 380 million bushels. The world carryover on July 1, accounted for to date, totals 557 million bushels, an increase of 136 millions over the carryover at the beginning of last season. Conditions to date indicate that world production may total about 3,350,000,000 bushels, or 515 million bushels less than last year.

The 1929 durum harvest in foreign countries is expected to be below last year, due largely to unfavorable prospects in Canada. With a big decrease in the domestic harvest, the total United States and foreign crop is expected to be below the amount needed for average consumption.

The world's supply situation is quite similar to what it was in 1924 when the world's production totaled 3,493,000,000 bushels. Allowing for an increase in demand of about 70 million bushels per year, the supply in that year would be equivalent to about 3,850,000,000 bushels in the present season. The effect of this supply upon price may be observed by noting the differences in the average prices for the seasons 1924-25 and 1928-29. British parcels prices averaged 179 cents per bushel in the 1924 season, compared with about 128 in the past season. The average price of No. 2 hard winter wheat at Kansas City averaged 135, as compared with 112 last season. It is obvious that with higher prices the world's consumption will not be so great as in the past season. It is likely, however, that the world will consume more than it has produced in the present season, and that stocks at the end of the season will be less than at the beginning of the season.

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WORLD SUPPLY AND DISAPPEARANCE OF WHEAT

| Year | World production | Shipments from Russia | Stocks accounted for July 1 | Total supply | Total disappearance | Average price per bushel British parcels |
|---|---|---|---|---|---|---|
| | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels | Cents |
| 1923-24 | 3,551 | 21 | 305 | 3,877 | 3,528 | 121 |
| 1924-25 | 3,143 | 1 | 349 | 3,493 | 3,202 | 179 |
| 1925-26 | 3,435 | 27 | 291 | 3,753 | 3,478 | 170 |
| 1926-27 | 3,420 | 49 | 275 | 3,744 | 3,397 | 164 |
| 1927-28 | 3,653 | 5 | 347 | 4,005 | 3,584 | 154 |
| 1928-29 | a/ 3,865 | 0 | 421 | 4,286 | 3,729 | (128) |
| 1929-30 | b/ (3,350) | 0 | 557 | 3,907 | | |

a/ Revised by raising Argentina from 275 to 300 million bushels.
b/ A preliminary forecast, Aug. 7, 1929.

## World production and crop conditions

Official forecasts and estimates of production in 22 countries indicate a production of about 2,024,000,000 bushels, a reduction of 139 million busnels from the corresponding crops of last year when they amounted to 56 per cent of the world's crop. Weather and condition reports from many other countries, however, indicate a much larger reduction in the world's crop.

The Canadian official report as of August 1, issued on August 10, indicates fall wheat production to be 24,476,000 bushels. No forecast is made of the spring wheat crop. The condition of the crop is reported to be 66 per cent of the ten-year average. The area in spring wheat was estimated to be 24,543,000 acres. Sixty-six per cent of an average yield on this area would be about 270 million bushels which, added to the estimated winter wheat production, would total 294 million bushels. An analysis of Canadian weather conditions as published last year (FS/WH-26, p. 19-20) indicates a crop of about 300 million bushels, as compared with 534 million bushels estimated as produced last year.

Agricultural Commissioner Dawson in Berlin reports some improvement in Continental European wheat crops in the past month, but he still believes that the crops of these countries, outside of Russia, will be less than last year. Greece and Spain report crops better than last year. Italy also reports a crop better than last year, but Mr. Dawson thinks that it is overestimated and is probably no larger than last year's crop. The French crop will probably be about as large as last year. An official report indicates slightly smaller winter wheat crops in Austria and Germany. Poland may have a larger crop but the remainder of northern Europe is expected to have smaller crops. The Balkan countries all have shorter crops. The total production of the four surplus producing Balkan countries is estimated at about 288 million bushels, compared with 369 millions produced last year. It seems probable that the European crop will be at least 100 million bushels less than last year and that most of the reduction will be in the surplus producing countries.

WHEAT: Production in specified countries, average, 1909-1913, annual 1926-1929

| Country | Average 1909-1913 | 1926 | 1927 | 1928 | 1929 |
|---|---|---|---|---|---|
| NORTH AMERICA | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels |
| Canada (Winter) ....... | a/ 22,294 | 21,785 | 22,266 | (20,054) | (24,476) |
| United States ........ | 690,108 | 831,040 | 878,374 | 902,191 | 773,885 |
| Mexico .............. | a/ 11,481 | 10,333 | 11,890 | 11,031 | 11,492 |
| Total (3) ......... | 723,883 | 863,158 | 912,530 | 933,276 | 809,853 |
| EUROPE | | | | | |
| England and Wales .... | 55,770 | 48,683 | 53,125 | 47,264 | 41,813 |
| Netherlands .......... | 4,976 | 5,487 | 6,157 | 7,336 | 3,836 |
| Spain ................ | 130,446 | 146,599 | 144,825 | 122,640 | 139,793 |
| Italy ................ | 184,393 | 220,644 | 195,809 | 228,596 | 238,832 |
| Germany, winter only . | 114,031 | 86,552 | 109,444 | 127,194 | 110,000 |
| Austria, winter only . | b/ 12,813 | 9,001 | 11,469 | 12,419 | 11,574 |
| Hungary .............. | 71,493 | 74,909 | 76,933 | 99,211 | 70,768 |
| Greece ............... | c/ 16,273 | 12,406 | 12,970 | 15,676 | 16,800 |
| Bulgaria ........ ... | 37,823 | 36,544 | 42,121 | 50,691 | 37,432 |
| Rumania .............. | a/158,672 | 110,883 | 96,734 | 115,544 | 94,852 |
| Finland .............. | 137 | 924 | 1,064 | 879 | 955 |
| Malta ................ | 196 | 310 | 294 | 289 | 293 |
| Total (12) ......... | 787,023 | 752,939 | 750,945 | 827,739 | 766,948 |
| AFRICA | | | | | |
| Morocco .............. | (17,000) | 16,174 | 24,618 | 24,746 | 28,623 |
| Algeria .............. | 35,161 | 23,551 | 28,326 | 30,302 | 40,601 |
| Tunis ................ | 6,224 | 13,044 | 8,257 | 12,125 | 12,125 |
| Total (3) .......... | 58,385 | 52,769 | 61,208 | 67,173 | 81,349 |
| ASIA | | | | | |
| India ................ | (4,000) | 13,940 | 14,582 | 6,490 | 11,023 |
| Syria and Lebanon .... | 351,841 | 324,651 | 334,992 | 288,811 | 313,973 |
| Japan ........... .... | 25,088 | 30,188 | 31,018 | 30,812 | 31,101 |
| Chosen ............... | 6,898 | 10,517 | 9,043 | 8,595 | 9,963 |
| Total (4) .......... | 387,827 | 379,296 | 389,635 | 334,708 | 366,060 |
| Total above count. (22) | 1,957,118 | 2,048,162 | 2,114,318 | 2,162,896 | 2,024,210 |
| Est. N. Hemis excl. Russia and China .... | 2,759,000 | 2,979,000 | 3,193,000 | 3,333,000 | |
| Est. world excluding Russia and China .... | 3,041,000 | 3,420,000 | 3,653,000 | 3,865,000 | |

a/ Four year average.
b/ Total production.
c/ One year only.

Reports from Russia indicate that crops may be somewhat better than last year, but it is not likely that there will be any grain for export.

The Southern Hemisphere crops are still somewhat uncertain. There are no indications that Australia and Argentina have recovered from the effects of the drought. Parts of both countries are still experiencing droughty conditions. Trade reports from Australia suggest that the crop there may be reduced 25 per cent. Taking into account a reduction in seedings in Argentina and a continuation of droughty conditions in these two countries, it hardly seems likely that the Southern Hemisphere will produce more than 380 million bushels as compared with about 490 million bushels last year, a reduction of 110 million bushels.

The above indicated reductions total 570 million bushels, but these will be offset by some increases in production in Africa and Asia where crops are somewhat larger than last year.

## The demand for wheat from surplus producing countries

European demand for wheat from surplus producing countries may be about as good as it was last year. Better corn crops in the Balkan countries will to some extent reduce the home requirements for wheat in those countries. Shorter wheat crops in several North European countries will more than offset the effect of the larger corn crop in the Balkan countries. France is reported to have a fairly large supply of old wheat, but Germany has smaller supplies than last year. Furthermore, the German rye crop may be smaller than last year.

The demand for wheat from the Orient may be greater than last year, but with higher prices the Orient probably will not take so much as was taken last year. Agricultural Commissioner Nyhus has reported that the wheat crop in the vicinity of Shanghai is not so good as last year. The North China crop is again short. Mr. Nyhus cables on August 8 that the arrivals of native wheat in Shanghai are heavy and excessive enough to depress current prices in spite of what is considered a short crop. The mills are well stocked for the present but prospective supplies for the fall months are small and millers expect that native supplies are not large enough to enable them to operate beyond December.

## Supply in the United States

The United States crop is now estimated at 774 million bushels, compared with 834 millions in July and a production of 902 million bushels last year. This is the smallest crop to be harvested since 1925. The reduction in production a little more than offsets an increase in carryover. The distribution of the crop suggests an export surplus of hard red winter, durum and white wheats. The hard red spring wheat crop seems likely to be the smallest on record excepting that of 1926. The durum wheat crop is also relatively small, only slightly larger than that of 1926. The supply of the different classes of wheat is of course somewhat larger than indicated by the production distribution. There are large stocks of hard red spring, durum, and hard red winter wheats, but the stocks of hard red spring are probably not sufficient to provide a supply in excess of the usual domestic requirements for this kind of wheat.

WHEAT: Production 1/ by classes, 1920-1928

| Year beginning July | Hard red spring | Durum | Hard red winter | Short red winter | White | Total |
|---|---|---|---|---|---|---|
| | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels |
| 1920 ...... | 140 | 52 | 302 | 247 | 91 | 835 |
| 1921 ...... | 131 | 57 | 290 | 237 | 99 | 815 |
| 1922 ...... | 170 | 91 | 280 | 248 | 79 | 868 |
| 1923 ...... | 127 | 55 | 241 | 272 | 102 | 797 |
| 1924 ...... | 192 | 66 | 365 | 189 | 52 | 864 |
| 1925 ...... | 156 | 65 | 206 | 170 | 80 | 676 |
| 1926 ...... | 121 | 48 | 360 | 229 | 73 | 831 |
| 1927 ...... | 202 | 83 | 317 | 181 | 95 | 878 |
| 1928 ...... | 195 | 98 | 384 | 140 | 86 | 902 |
| 1929 July | 156 | 63 | 339 | 199 | 76 | 834 |
| Aug. | 126 | 54 | 330 | 189 | 75 | 774 |

1/ Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each state to the production of each state as estimated by the Division of Crop Estimates save that durum estimates of four states are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.

## Prices

The marked rise in wheat prices which began in May was checked in the latter part of July. The average of all classes and grades at six markets in the United States rose from 94 cents the last week in May to 134 cents the third week in July. This rise was followed by a slight recession and then some recovery so that the average for the week ending August 2 was 135. Prices declined in the second week of August. On August 8, September futures in Chicago closed at 135, compared with 147 on August 1. October futures in Liverpool dropped from 155 on August 1 to 144 on August 8.

The movement of prices in the United States and Liverpool was reflected in other markets. German markets weakened. The spot price of wheat at Hamburg declined 4 cents and was $1.78 on August 7. In Shanghai heavy receipts of local wheat have depressed prices. The local wheat was selling at 110 cents per bushel for August delivery and 117 for October delivery, while No. 2 red wheat from the United States, October shipment, was selling at 136 cents per bushel.

The present depression in wheat prices in world markets generally is due to heavy marketings of new wheat in the United States, which tend to depress both the cash and the futures market, and a speculative reaction from the rapid rise through June and the early part of July

Price charts are shown at the end of this report.

WHEAT: Closing prices of July and September futures

| Date | Chicago | | Kansas City | | Minneapolis | | Winnipeg | | Liverpool | | Buenos Aires a/ | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 |
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| | July futures | | | | | | | | | | | |
| July 3 | 136 | 120 | 128 | 113 | 136 | 122 | 138 | 140 | 151 | 129 | b/133 | 111 |
| 11 | 131 | 122 | 125 | 116 | 132 | 125 | 132 | 144 | 144 | 130 | b/129 | b/114 |
| | September futures | | | | | | | | | | | |
| 18 | 128 | 146 | 120 | 140 | 126 | 148 | c/127 | c/164 | c/146 | c/156 | 130 | 130 |
| 25 | 124 | 146 | 116 | 140 | 121 | 149 | c/121 | c/168 | c/138 | c/152 | 125 | 127 |
| Aug 1 | 120 | 147 | 112 | 141 | 117 | 149 | c/121 | c/171 | c/138 | c/155 | 123 | 128 |
| 8 | 113 | 135 | 105 | 130 | 110 | 136 | c/114 | c/154 | c/134 | c/144 | 113 | 119 |
| 15 | 113 | | 106 | | 111 | | c/113 | | c/130 | | 116 | |
| 22 | 112 | | 105 | | 110 | | c/114 | | c/130 | | 112 | |
| 29 | 110 | | 103 | | 109 | | c/111 | | c/131 | | c/114 | |
| Sept 5 | 110 | | 103 | | 108 | | c/111 | | c/130 | | c/114 | |

a/ Prices are of day previous to date of other market prices.
b/ August future.
c/ October future.

WHEAT: Weighted average cash prices at stated markets

| Date | All classes and grades six markets | | No. 2 hard winter Kansas City | | No. 1 dk.n.spring Minneapolis | | No. 2 amber durum Minneapolis | | No. 2 red winter St. Louis | | Western white Seattle a/ | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 |
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| July 5 | 137 | 115 | 136 | 113 | 153 | 137 | 132 | 116 | 172 | 123 | 140 | 119 |
| 12 | 132 | 119 | 128 | 117 | 149 | 141 | 124 | 123 | 155 | 124 | 135 | 122 |
| 19 | 129 | 134 | 126 | 130 | 146 | 159 | 119 | 146 | 151 | 143 | 129 | 134 |
| 26 | 122 | 133 | 118 | 129 | 138 | 155 | 117 | 144 | 147 | 141 | 124 | 132 |
| Aug 2 | 118 | 135 | 114 | 131 | 141 | 156 | 115 | 144 | 144 | 140 | 125 | 134 |
| 9 | 108 | | 105 | | 127 | | 103 | | 134 | | 118 | |
| 16 | 108 | | 105 | | 125 | | 108 | | 137 | | 113 | |
| 23 | 108 | | 104 | | 123 | | 109 | | 137 | | 112 | |
| 30 | 110 | | 106 | | 122 | | 109 | | 144 | | 113 | |

a/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.

## Wheat trade

Prospects of a short world crop and the rapid rise in prices through June and into July have had a tendency to check the world shipments of grain. The net movement of wheat from surplus producing countries through June and July was about 20 million bushels less than in the corresponding period of last season. This reduction is in the shipments from Canada which from four markets was 30 million bushels less than in the corresponding period of last year. The exports from the United States have amounted to nearly 13½ million bushels as compared with 8,400,000 shipped last year, and the Argentine shipments have totaled nearly 18 million bushels as compared with 11 millions last year. At the present rate, the surplus Argentine stocks will soon be moved and much of the increase in the carryover of the United States will soon be accounted for by the greater volume of movement early in the season. With a shorter Canadian crop, competition with the United States for supplying the European demand through the late fall and winter months will be much less than last year.

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

| Country | Total shipments or exports: 1927-28 | Total shipments or exports: 1928-29 a/ | Shipments, week ending: July 20 | Shipments, week ending: July 27 | Shipments, week ending: Aug. 3 | Net movement from July as far as reported: To and incl. | Net movement from July as far as reported: 1928-29 | Net movement from July as far as reported: 1929-30 |
|---|---|---|---|---|---|---|---|---|
| | 1,000 bush | 1,000 bush | 1,000 bush | 1,000 bush | 1,000 bush | | 1,000 bush | 1,000 bush |
| Canada: | | | | | | | | |
| Shipments, 4 markets b/ | 333,335 | 458,649 | 3,291 | 2,726 | 4,536 | Aug. 3 | 49,277 | 18,458 |
| United States | 206,259 | 162,748 | 2,397 | 4,921 | 2,473 | Aug. 3 | 8,394 | 13,467 |
| Argentina .... | 178,135 | 216,613 | 2,996 | 2,383 | 2,602 | Aug. 3 | 10,844 | 17,606 |
| Australia .... | 72,962 | 112,054 | 1,160 | 1,256 | 592 | Aug. 3 | 5,800 | 5,568 |
| Russia ....... | 7,000 | 8 | 0 | 0 | 0 | Aug. 3 | 8 | 0 |
| Danube Bul. c/ | 32,847 | 2,712 | 120 | 8 | 208 | Aug. 3 | 0 | 456 |
| British India | 14,328 | d/-12,727 | 0 | 40 | 16 | Aug. 3 | 944 | 112 |
| Total ..... | 844,866 | 940,057 | 9,964 | 11,339 | 10,427 | | 75,267 | 55,667 |

Compiled from official and trade sources.

a/ Preliminary.
b/ Shipments from Ft. William, Port Arthur, Vancouver and Prince Rupert.
c/ This includes Hungary, Yugoslavia, Rumania and Bulgaria.
d/ Net imports.

WHEAT: Supply and distribution in the United States, 1925-1929

| Item | Year beginning July 1 | | | | |
|---|---|---|---|---|---|
| | 1925 | 1926 | 1927 | 1928 | 1929 |
| | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels |
| Supply: | | | | | |
| Stocks on farms July 1 .............. | 29 | 21 | 27 | 24 | 45 |
| Country mills and elevators ........ | 25 | 29 | 22 | 19 | 40 |
| Commercial visible (Bradstreet's)... | 29 | 16 | 26 | 42 | 96 |
| In merchant mills and elevators a/. | 23 | 25 | 37 | 32 | 48 |
| In transit ........................ | 9 | 7 | 11 | 11 | 16 |
| Total stocks .................. | 115 | 98 | 123 | 128 | 245 |
| Imports (grain only) ............... | 16 | 13 | 16 | 21 | |
| Production ......................... | 676 | 831 | 878 | 902 | 774 |
| Total supply .................. | 807 | 942 | 1,017 | 1,051 | |
| Distribution: | | | | | |
| Mill grindings (merchant mills) a/. | 537 | 556 | 558 | 568 | |
| Mill grindings (custom and small mills)..................... | 10 | 10 | 10 | 10 | |
| Seed requirements .................. | 83 | 89 | 95 | 88 | |
| Total domestic accounted for ... | 630 | 655 | 663 | 666 | |
| Exports (grain only) .............. | 63 | 156 | 146 | 103 | |
| Disappearance accounted for ..... | 693 | 811 | 809 | 769 | |
| Carryover (including wheat of merchant mills in transit) .... | 98 | 123 | 128 | 245 | |
| Total supply accounted for ........ | 791 | 935 | 937 | 1,014 | |
| Disappearance unaccounted for b/. | 16 | 8 | 80 | 38 | |

a/ Census Bureau, Department of Commerce, raised to 100 percent based on the Biennial Censuses of 1923, 1925 and 1927.

b/ Difference between total supply accounted for and total supply. Includes wheat fed to livestock, waste, loss and errors in estimates.

## The Continental European wheat situation a/

Continental European wheat markets during July were generally more active than during June, according to Agricultural Commissioner Owen L. Dawson at Berlin. Prices showed a considerable increase although not so great as registered in overseas countries. Increases were less marked in France and the Danubian countries which is attributed by the trade to considerable domestic grain stocks left in France and the effort to force exports in Hungary. The main influence in the general price increase on the Continent during July was unfavorable crop development overseas, but this was to some extent offset by the relatively favorable crop developments on the Continent until a large part of the bread grain crop had matured.

Sales of flour were important throughout the month and prices moved in accordance with grain prices. July wheat stocks in Germany, Czechoslovakia, Austria and Poland, are not large and probably smaller than a year ago. Hungary, and to some extent Yugoslavia, sold large quantities during recent weeks and stocks of wheat were considerably reduced there but they are still of some importance and probably somewhat larger than a year ago. Domestic wheat stocks in France continued rather large and are probably also above last year.

The rye market showed great independence and did by no means parallel the tendency in wheat. Following a temporary price increase during the first half of the month, the market weakened somewhat and the price-spread between wheat and rye became very large, the largest on record since the campaign of 1925-26. The expectation of a large rye crop in the main producing regions, and considerable stocks of rye in Germany, Poland and other parts of Central Europe accounted for such market developments.

The feed grains market was active during July in contrast with the dullness prevailing in June. Prices were firm and generally good buying interest on the part of European importers was evident. Corn prices increased owing to good demand and considerable reduction in the Argentina corn shipments. The prospects for a large corn crop in Southeastern Europe were apparently of less influence upon the market than the outlook for a considerably reduced corn crop in Argentina compared with last year. Feed barley also showed an increase in prices and experienced good demand in Central Europe. The trade thinks that prospects for a considerably reduced crop of winter barley in Continental Europe was a factor in this situation. Less improved demand was evident in the case of oats, but the market tendency was generally firm.

Reports on crop conditions in Continental Europe indicate some improvement compared with the status at the time of our last report. However, the recent dry weather coupled with excessive heat over most of the Continent has been detrimental to late grains but no estimates on the extent of the damage are yet available. Prospects for the corn crop in Southern and Southeastern Europe were very favorable until recently; cooler weather and timely rains,

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a/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, July 24, 1929. Brought up to August 10 by cable.

however, would make it certain that the outturn of the corn crops in these countries will considerably reduce wheat requirements there compared with last year.

The harvest of bread grains is over in parts of Southern Europe and in full swing everywhere except in Scandanavia.

It still appears that the Continental European wheat crop will be below last year, but somewhat above average, as the weather was quite favorable during the critical period except in northern sections where the heat wave was detrimental to the maturing crops. The situation in individual countries is as follows:-

(a) Extensive winter-kill and early unfavorable growing weather will reduce the French wheat crop below last year. Weather in early July improved the prospect but the recent heat wave is said to have injured the wheat in northern sections where it had not yet matured.

(b) Germany will have a smaller wheat crop than last year, but above average, somewhere between the results of 1927 and 1928. The German rye crop is now thought to be from 10 to 20 per cent below last year and in view of this it is quite certain that the total European production will be below 1928.

(c) Italy's wheat crop has been estimated at 10,000,000 bushels above last year's good crop, but according to unofficial reports this estimate seems to be too high.

(d) Extremely heavy winter-kill in Belgium and the Netherlands will reduce the wheat crops there materially below last year.

(e) Hungary's and Rumania's wheat crops will also be materially below last year, the former about 30, the latter about 20 per cent below, largely because of extensive winter-kill in important regions.

(f) Yugoslavia and Bulgaria will also produce wheat crops below last year's production.

(g) Spain will have a wheat crop above last year's light crop.

(h) Other countries taken as a whole will not show material change.

The effect of this year's harvest in Europe on the continental market is still uncertain. The wheat crop now appears 9-10 per cent below last year or about 4 per cent above average. Prospects for a rye crop in Central Europe are close to last year's large crop and stocks are still large. A good corn crop in Southeastern and Southern Europe would doubtless reduce wheat requirements of the Continent materially. Corn prospects are good at present but unfavorable weather from now on could reduce the prospects considerably.

GERMANY

Wheat and wheat flour prices in Germany have increased considerably during the past month. The crop outlook overseas was mainly responsible for this marked upward price movement but the fact that duties on wheat, rye, and wheat and rye flour were increased, and that a law prescribing the percentage of domestic wheat to be milled in German mills was to become effective on August 1 was also a market factor. The duties on wheat were raised effective July 10, from 32.41 cents per bushel to 42.14 cents for the "most favored nations"; and the duty was raised from 30.25 to 36.30 cents per bushel on rye and 17.29 to 20.74 cents per bushel on oats. Canada and Australia which are not among the "most favored nations" now have to pay 48.62 cents per bushel for wheat, 42.35 cents per bushel on rye and 24.20 cents on oats. The duty on wheat and rye flour was raised from $1.24 per 100 pounds to $1.57 for the "most favored nations" and from $1.35 to $1.57 for the others. That the tariff rates would be increased was already known toward the end of June. Buying of spot grain was therefore very active in the free ports and also in the Dutch and Belgian markets before July 10 and available stocks decreased considerably in the free ports and the Dutch and Belgian ports. Volume of business in wheat and flour was larger than in the foregoing period. Foreign grain was of very great importance as the domestic stocks of the old crop are small and farmers remained generally reluctant to sell. Wheat prices are expected to be firm during the next few months. According to the new law 40 per cent of the wheat milled by German flour mills between August 1 and November 30 must be German wheat and during the whole period from August 1, 1929 to July 31, 1930, 30 per cent has to be German wheat. As harvesting of the various crops will keep farmers very busy in the near future and as the old stocks are small, domestic wheat is expected to meet with a very active demand.

The rye market in Germany did not develop in sympathy with the wheat market. The crop outlook for rye developed favorably in the European continent. The favorable European outlook for rye coupled with the fact that the stocks of rye of the old crop in Germany as well as in the neighboring countries are still large caused a weak tone in the market. Market deliveries of rye were comparatively large. Rye prices in Berlin were 116 cents per bushel on June 26 and on July 24, whereas wheat prices increased from 143 cents to 167 cents per bushel. The difference between the wheat and rye price was 51 cents per bushel on July 24 compared with 27 cents on June 26 and about 10 cents at the beginning of January 1929. The rye market was temporarily firm during the first ten days of July, but weakened again later. The development of wheat and rye prices is shown in the following table:

GERMANY. Price per bushel of domestic wheat and rye, 1929

| Date of quotation | Wheat: Hamburg a/ | Wheat: Breslau b/ | Wheat: Berlin c/ | Rye: Berlin d/ |
|---|---|---|---|---|
| | Cents | Cents | Cents | Cents |
| June 12 | 148 | 137 | 136 | 113 |
| June 19 | 148 | 137 | 140 | 114 |
| June 26 | 152 | 141 | 143 | 116 |
| July 3 | 161 | 149 | 158 | 132 |
| July 10 | 165 | 153 | 155 | 122 |
| July 17 | 182 | 163 | 169 | 123 |
| July 24 | 181 | 162 | 167 | 116 |

a/ Wheat of any German district of at least 58.7 pounds per bushel.
b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.
c/ "Markischer" wheat of at least 58.7 pounds per bushel.
d/ "Markischer" rye of at least 55 pounds per bushel.

Wheat imports in June were smaller than expected, being only 6,913,000 bushels compared with 7,052,000 bushels in May, 1929, and 6,809,000 bushels in June 1928. During the first ten days of July, before the new duty became effective, importation of wheat was very large. During the total campaign 1928-29 about 12,000,000 bushels less than last year were imported. Wheat stocks in the ports, in the hands of the mainland trade and the flour mills seem to be comparatively small and smaller than last year. The visible stocks of wheat in Berlin on June 30 were about 10 per cent smaller than last year. The apparent disappearance of wheat in Berlin during June was somewhat smaller than in May 1929 and in June 1928.

The farm stock figures of the Deutscher Landwirtschaftsrat as of June 15, 1929, indicate that wheat stocks were smaller than last year, whereas rye stocks were to a considerable extent larger than last year. Figures of the stocks available for sale were not reported for June.

Grain stocks on German farms on June 15, 1928 and 1929

| Grain | Stocks June 15: 1928 | Stocks June 15: 1929 | Percentage of crop: 1928 | Percentage of crop: 1929 |
|---|---|---|---|---|
| | 1,000 bushel | 1,000 bushel | Per cent | Per cent |
| Wheat ........ | 11,000 | 9,800 | 9.1 | 6.9 |
| Winter rye ... | 17,000 | 36,000 | 6.3 | 10.9 |

FRANCE

The French wheat market did not develop in full sympathy with the world market. Prices have increased to some extent as a consequence of the reduced crop expectations overseas, but to a much lesser extent than elsewhere. It appears that there are still large stocks of wheat of the old crop which have to be sold. Flour mills were reluctant and bought only comparatively small quantities. Another factor partly responsible for the weak undertone in the French wheat market was favorable weather for crops during June and early July. Many reports state that the grain crops have improved greatly and are rather optimistic. We think, however, that in spite of a considerable improvement in conditions this year's crop will be smaller than last year's owing to the extensive winter-kill in the northern sections and drought during the spring. The recent period of hot weather may also reduce the crop in the north. In the southern sections harvesting is in full swing.

NETHERLANDS AND BELGIUM

The wheat market in Holland and Belgium was generally firm and active with large transactions in spot and future business. On some days business was restricted because the belief prevailed that the unfavorable weather reports were exaggerated. Before the increase of the German tariff rates became effective large quantities of spot wheat in the seaports were bought by German firms and immediately transported to Germany. This resulted in a considerable decrease of stocks which became unusually small.

The rye outlook for Belgium is reported fairly favorable, but in wheat and barley the crop is expected to be below normal. In Holland the condition of wheat is below last year and below average. Rye, however, is about average and is generally better than wheat.

DANUBE BASIN

In the deficit countries Austria and Czechoslovakia wheat prices have increased under the influence of the firm world market. The firmness, however, was not as pronounced as elsewhere. The fact that crop reports from the Danube Basin sounded mostly favorable caused a tendency against a too strong increase of prices. The market remained generally quiet in spite of large transactions on some days. The flour mills were reluctant and bought only moderate quantities. It appears that the domestic wheat stocks of the old crop are not unusually large in Czechoslovakia and Austria. On the other hand there are still important quantities of rye which have to be consumed. Present conditions in Czechoslovakia promise a medium to good crop, the outlook for wheat being better than for rye. In Austria crop prospects have improved during June. The wheat outlook is about as good as last year and the rye outlook somewhat better.

The large increase of wheat prices in the world market had also a stimulating influence on some markets of the surplus countries of the Danube Basin. In Hungary export business was active around the middle of July. Hungarian prices had not increased to the extent of overseas and this brought Hungarian wheat into a more favorable competitive position. Markets in Yugoslavia and Rumania were quiet.

The crop outlook in the Danubian countries has developed quite favorably since our last report. The first official Hungarian wheat estimate as per June 19 of 63,419,000 bushels was raised to 70,547,000 bushels in the second estimate of July 3 and later to 70,768,000 bushels on July 15. According to private reports threshing returns have proved to be satisfactory and there may be some chance for a further increase of the estimate. It is also noted that estimates are frequently revised upward later in the year. Reports from Rumania are contradictory; the most reliable estimate given out seems to be the first official estimate according to which this year's wheat crop will be 94,835,000 bushels or about 18 per cent less than last year and on the basis of the reduced acreage this appears too high. Private reports on the probable outturn of the Yugoslavian wheat crop have been mostly favorable during the past month. It is not likely, however, that the crop will be as large as last year and that the quality will be as good. The corn crop shows a very satisfactory condition in all Danube countries and it is likely that corn will be consumed in large quantities next year instead of wheat unless future weather conditions turn decidedly unfavorable for the corn crop.

POLAND

The wheat and rye market was comparatively quiet during the period under review. Wheat stocks are comparatively small and prices have therefor recovered... Large quantities of rye are still available in the country and have to be disposed of. Rye prices are very much depressed, prices for rye being nearly 50 per cent lower than wheat prices. The demand for wheat was also limited as flour mills showed an attitude of reluctance and bought only for current needs.

It is probable that this year's wheat and rye crops will be larger than last year. Weather conditions were mostly favorable during June and July; local damage from storms will have little influence on the outturn of the total crop.

ITALY

The wheat market in Italy became brisker and firmer toward the end of June. Foreign grain transactions, however, remained limited and more business was done mainly in domestic wheat. Weather conditions were not especially favorable during June and July; storms and drought have caused damage in spots. In the southern sections and in parts of central Italy harvesting of wheat has been practically completed. Some reports state that threshing returns have shown satisfactory results. The crop outturn varies greatly within small sections and, therefore, it is difficult to estimate the total amount. The crop is expected to turn out lower than last year and be near the average.

SOVIET RUSSIA

Reports on the development of the procuring campaign are again very scarce with indications that the Government is experiencing difficulties in securing grain from the more well-to-do peasants, the latter prefering in some cases to hide their stocks at the risk of losses from storage and confiscation rather than sell them to the Government. The increasing tendency of procurings at the beginning of June indicated in our report of June 27, seems to have resulted in a rather sharp increase in June procurings, according to newly published reports, but no figures on the actual level of procurings are available. There are as yet no data available on procurings during 1928-29 except the statement recently made by a high Russian official that procurings of grain were 2,892,000 short tons below those in 1927-28. This decrease of somewhat more than 25 per cent is entirely due to unsatisfactory developments of the campaign during the second half of the year, as procurings were still ahead of those of the preceding year on January 1, 1929 - the latest date up to which figures were regularly published. A preliminary statement for Ukraine alone indicates that procurings there were considerably below those of the previous years, having amounted to only 1,484,000 short tons compared with 4,451,000 short tons in 1927-28 and 3,444,000 in 1926-27. Procurings in RSFSR during the first nine months of the past campaign were reported to have amounted to 7,731,000 short tons. This means an increase of 11.9 per cent over procurings during the same period in 1927-28 which was due to increased procurings of wheat (+ 41 per cent) as well as of some other minor crops, while procurings of rye showed the large decline of 54.5 per cent.

A member of the Commissariat of Trade of USSR when discussing the preparations for the new grain procuring campaign, stated that larger receipts of grain than last year are to be expected during the first quarter of the current agricultural year in view of the better crop outlookaand the improved organization of the campaign. This fact, coupled with the large returns of grain expected from the "contracted" fields a/, as well as measures taken by the Government to accelerate the delivery of grain by the Soviet and Collective farms caused the Commissariat to raise the grain procuring plan for the first quarter of 1928-29 to a higher level than last year. No doubt receipts of grain from the "socialistic sector" of agriculture and from contracted fields will be a favorable factor. However, the outlook for Government purchases of grain from individual peasants is rather uncertain in view of the strong opposition of certain classes of the agricultural population, the press indicating that grain procurings are at present the most important field of "class war" and that grain procurings are not a business transaction of the organs concerned but that they are a most important measure carried on with the active help of the poor and middle class circles of Russian peasanthood. The attitude of the peasants toward the Government, however, will be of less influence during the first months of the campaign when peasants will be obliged to sell at least some of their grain to meet their obligations and cover their requirements for industrial goods. The supply of the latter will be of even greater importance this year than has been true during the preceding years. Shipment of industrial goods to the villages is to increase considerably during the first quarter of the

a/ Who have undertaken to deliver their grain within the first two months after the dateoof harvesting.

of the agricultural year compared with the same period a year ago; according to plans announced by the planning organizations.

The latest issued official crop condition report is that of July 1 which places all crops in the Union at 115 points compared with 111 points on June 15 and 118 a/ points on July 1, 1928. The corresponding crop condition estimate for RSFSR (Russia Proper) is 112 points compared with 121 a/ last year and for Ukraine 123 compared with 111 a/ points a year ago. However, this deterioration of crop conditions compared with 1928 is not indicated either by the Russian press or by Russian officials. On the contrary, prospects for this year's crop in general are regarded as rather favorable and better than a year ago. Thus, for example, the Chairman of the Commissariat of Trade of USSR, Mikojan, recently stated that, on basis of the conditions per July 1, the crop will be 5.5 to 6.5 million short tons above that of last year. Other reports vary between 3 and 5.5 million short tons. It is also pointed out that the geographical distribution of the crop is more favorable than a year ago, being more uniform in character and not showing such large fluctuations as in 1927-28. In a country like Russia where transportation and storing facilities are not adequate, the possibility of utilizing transportation means to a better extent is very important. On the other hand, factors unfavorable to the outlook of the crop are the winter-kill, which, though below last year, was still important this year, as well as adverse weather conditions prevailing at the end of May and part of June. The dry hot winds reported at the end of June in North Caucasus are said to have reduced the crop there considerably, a Government official recently indicating that the damage from these winds amounted to not less than 1,500,000 short tons. However, it is still thought that this year's crop in North Caucasus will be somewhat higher than a year ago, due to the considerable increase of acreage.

Weather conditions seem to have been unfavorable to the growing crop during the first ten days of July, according to the report of the Meteorological Section. Heavy showers occurred in parts of the western section of Central Fertile Region and eastern section of Central Industrial Region, which may have resulted in lodging, while hot dry weather prevailed in the eastern and south-eastern section of Middle Volga, Transvolga, southern section of the Middle Volga region, north and northeastern section of Ukraine. On the other hand, conditions were favorable in the western section of Middle Volga, northwestern section of Lower Volga and northeastern section of the Central Fertile Region, where moderate but frequent rains occurred.

Preliminary information from Crimea and North Caucasus - where harvesting started earlier than in other regions - indicate that the quality of this year's crop is satisfactory, and in some cases above last year. With weather conditions reported favorable to harvesting up to now, Russian authorities hope that this preliminary estimate based on data from the extreme south may prove characteristic for the crop as a whole. However, it remains to be seen what effect the rather unfavorable weather conditions reported for the first ten days of July had upon the quality of the crop.

a/ No comparison figures for last year were given in the above mentioned report the figures mentioned for July 1, 1928 being those published at that time.

Harvesting is in full swing in the southern regions of the Union and about to begin in the eastern regions, with threshing also reported started in some localities. The campaign is showing certain defects in organization, such as shortage and poor distribution of machinery, etc., but this may be regarded as "seasonal factor" as the past campaigns were also carried on under similar circumstances. The first lots of grain have already appeared on the market in Southern Russia and in regions where this had been the case prices showed a declining tendency.

The 1929-30 plan of foreign trade was recently announced by the Government, at which occasion it was stated that no exports of grain are planned again this year.

WHEAT: Production in European countries, average 1924-1928, annual 1927-1928 and preliminary estimates for 1929. a/

| Country | Average 1924-1928 | 1927 | 1928 | 1929 preliminary |
|---|---|---|---|---|
| | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels |
| Germany ............ | 112,991 | 120,522 | 145,593 | (121,000) |
| Italy............... | 211,208 | 195,809 | 228,596 | 238,832 |
| France.............. | 280,140 | 276,128 | 281,285 | (279,000) |
| Belgium............. | 14,910 | 16,277 | 17,986 | ( 14,700) |
| Netherlands......... | 5,853 | 6,157 | 7,336 | ( 5,500) |
| Czechoslovakia...... | 39,512 | 40,385 | 51,499 | ( 40,000) |
| Austria............. | 10,684 | 11,960 | 12,860 | ( 12,860) |
| Switzerland......... | 3,852 | 4,119 | 4,270 | ( 5,900) |
| Denmark............. | 9,200 | 9,408 | 12,214 | ( 10,300) |
| Poland.............. | 50,165 | 54,230 | 59,219 | ( 61,000) |
| Spain............... | 139,687 | 144,825 | 122,640 | 139,808 |
| Total, 10 deficit countries | 878,202 | 879,820 | 939,498 | 928,900 |
| Hungary............. | 74,859 | 76,933 | 99,211 | 70,768 |
| Yugoslavia.......... | 73,541 | 56,568 | 103,294 | ( 85,000) |
| Rumania............. | 99,664 | 96,734 | 115,544 | 94,835 |
| Bulgaria............ | 39,083 | 42,121 | 50,691 | 37,441 |
| Total 4 surplus countries | 287,147 | 272,356 | 368,740 | 288,044 |
| Deficit countries... | 878,202 | 879,820 | 939,498 | 928,900 |
| Surplus countries... | 287,147 | 272,356 | 368,740 | 288,044 |
| Total 14 countries.. | 1,165,349 | 1,152,176 | 1,308,238 | 1,216,944 |
| Other Europe........ | 100,000 | 110,000 | 102,000 | 100,000 |
| Total Europe.... | 1,265,000 | 1,262,000 | 1,410,000 | 1,317,000 |

a/ Figures in parenthesis are unofficial estimates.

WHEAT INCLUDING FLOUR: Net exports from principal exporting countries and net imports into European importing countries 1927-28 and 1928-29

| Country | Net exports reported: July 1 to | 1927-28 | 1928-29 | Country | Net imports reported: July 1 to | 1927-28 | 1928-29 |
|---|---|---|---|---|---|---|---|
| | | Million bushels | Million bushels | | | Million bushels | Million bushels |
| | | | | United Kingdom | June 30 | 211 | 204 |
| | | | | Italy | June 30 | 87 | 89 |
| | | | | Germany | June 30 | 92 | 69 |
| United States | June 30 | 191 | 142 | France | June 30 | 54 | 51 |
| Canada | June 30 | 305 | 422 | Belgium | May 30 | 39 | 38 |
| Russia | June 30 | 5 | a/ | Netherlands | June 30 | 31 | 29 |
| British India | June 30 | 12 | b/-13 | Czechoslovakia | June 30 | 21 | 17 |
| Hungary | Apr 30 | 20 | 20 | Greece | May 30 | 17 | 20 |
| Rumania | Mar 31 | 7 | 4 | Irish Fr. State | May 30 | 17 | 16 |
| Bulgaria | - | - | - | Austria | June 30 | 16 | 16 |
| Yugoslavia | Mar 31 | 1 | 6 | Switzerland | June 30 | 18 | 15 |
| Algeria | June 30 | 5 | 4 | Sweden | June 30 | 9 | 8 |
| Argentina | June 30 | 183 | 217 | Norway | May 30 | 6 | 8 |
| Australia | June 30 | 75 | 112 | Denmark | May 30 | 10 | 16 |
| | | | | Finland | May 30 | 5 | 5 |
| | | | | Poland | May 30 | 6 | 4 |
| | | | | Estonia | June 30 | 1 | 1 |
| | | | | Latvia | Mar 31 | 1 | 2 |
| Total | | 804 | 914 | Total important European coun- | | 641 | 608 |

a/ Less than .01 million bushels. b/ Net imports.

## Canada

### Increased elevator storage for grain at Port Colborne

Consul Stewart at Port Colborne reports "an announcement by the Maple Leaf Milling Company of Canada, Limited, that it would erect in Port Colborne, Ontario, at once a storage elevator having a capacity of 1,000,000 bushels, a feed mill with a daily capacity of 400 barrels, and a new bag factory with a capacity of more than 70,000 per day. The building housing the present bag factory, it is said, would be abandoned and used for storage in conjunction with the feed mill."

"The feed mill at West Toronto, much smaller than that contemplated here, it is said, will be discarded and all the firm's rough feed manufactured at Port Colborne."

### Foreign tariffs on wheat

| Countries | | | Per bushel (60 lbs.) |
|---|---|---|---|
| | | | Cents |
| Canada: | | | |
| General (from United States) | | | 12.00 |
| Preferential (British Empire) | | | 8.00 |
| United Kingdom | | | Free |
| Japan | $1\frac{1}{2}$ yen per 100 kin | 1/ | 31.34 |
| | Per 100 kilograms | | |
| Germany: | | | |
| General (Canada, Australia, etc.) | 7.50 Marks | | 48.62 |
| Conventional (from United States) | 6.50 Marks | | 42.14 |
| France | 50 Francs | | 53.31 |
| Italy | 14 Gold Lire | | 73.54 |
| Sweden | 3.70 Crowns | 1/ | 26.99 |
| Norway | | | Free |

1/ Conversion to U.S. currency made on the basis of the rate of exchange prevailing on July 17, 1929; other conversions at par of exchange.

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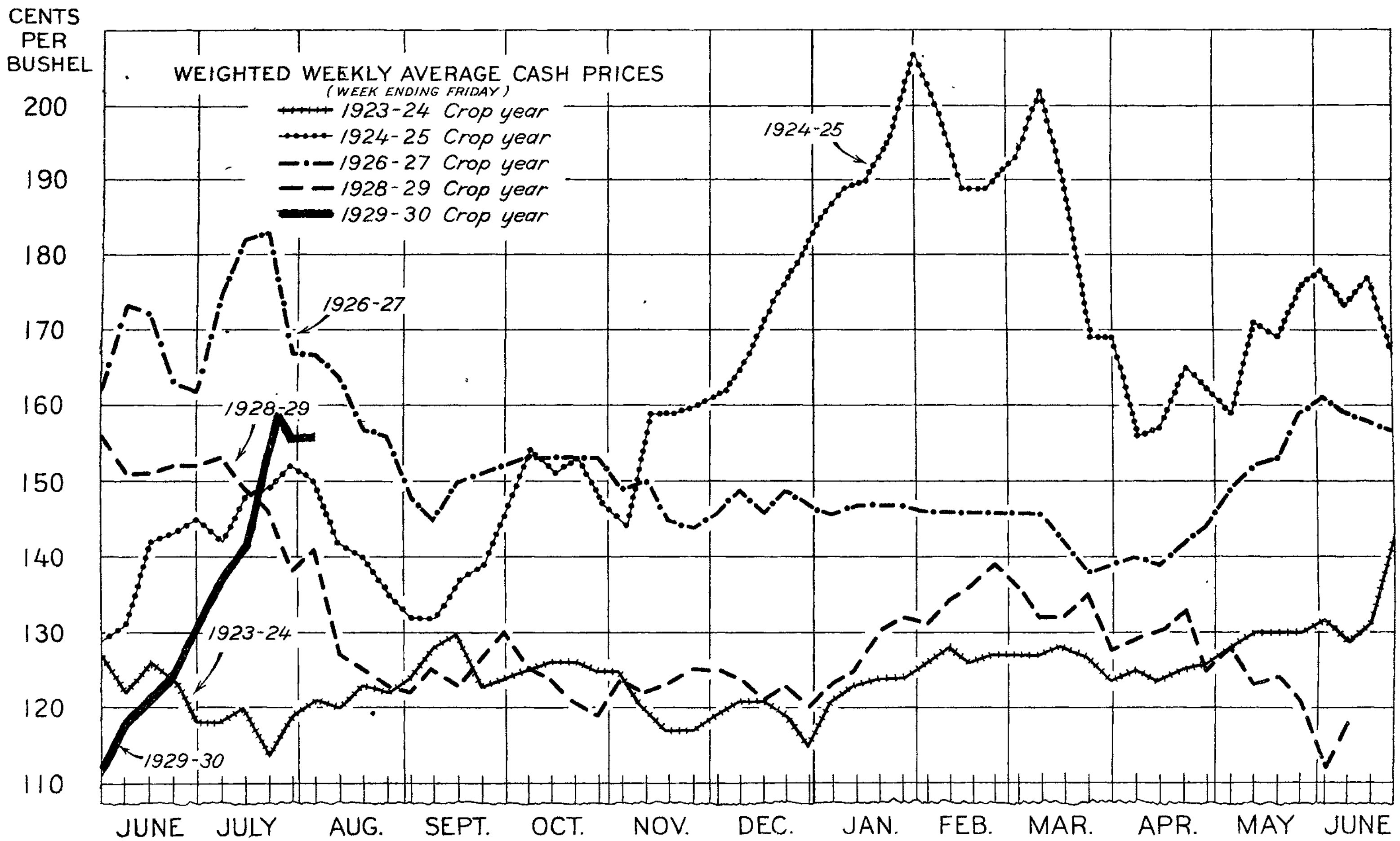
# WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS

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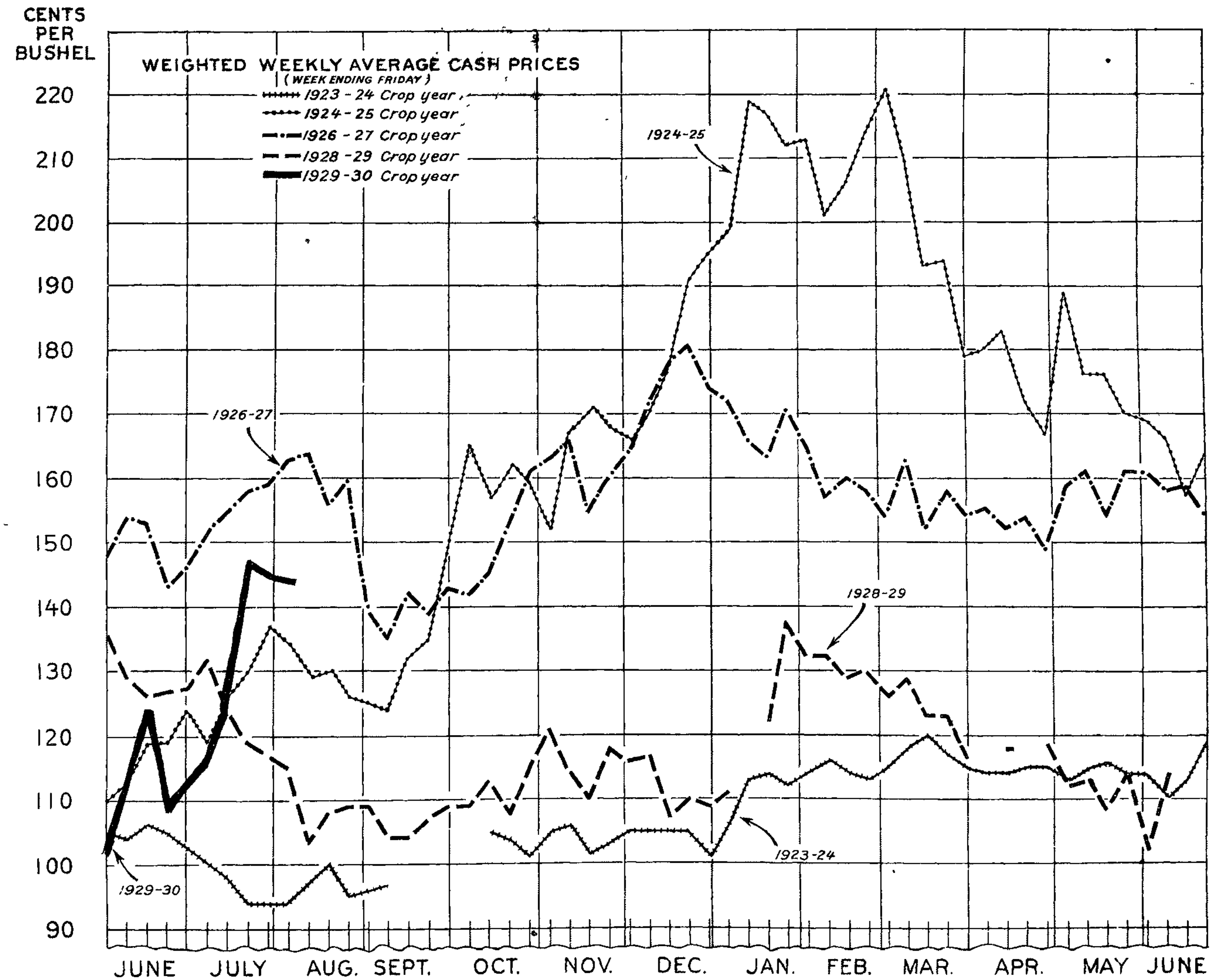
# WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS

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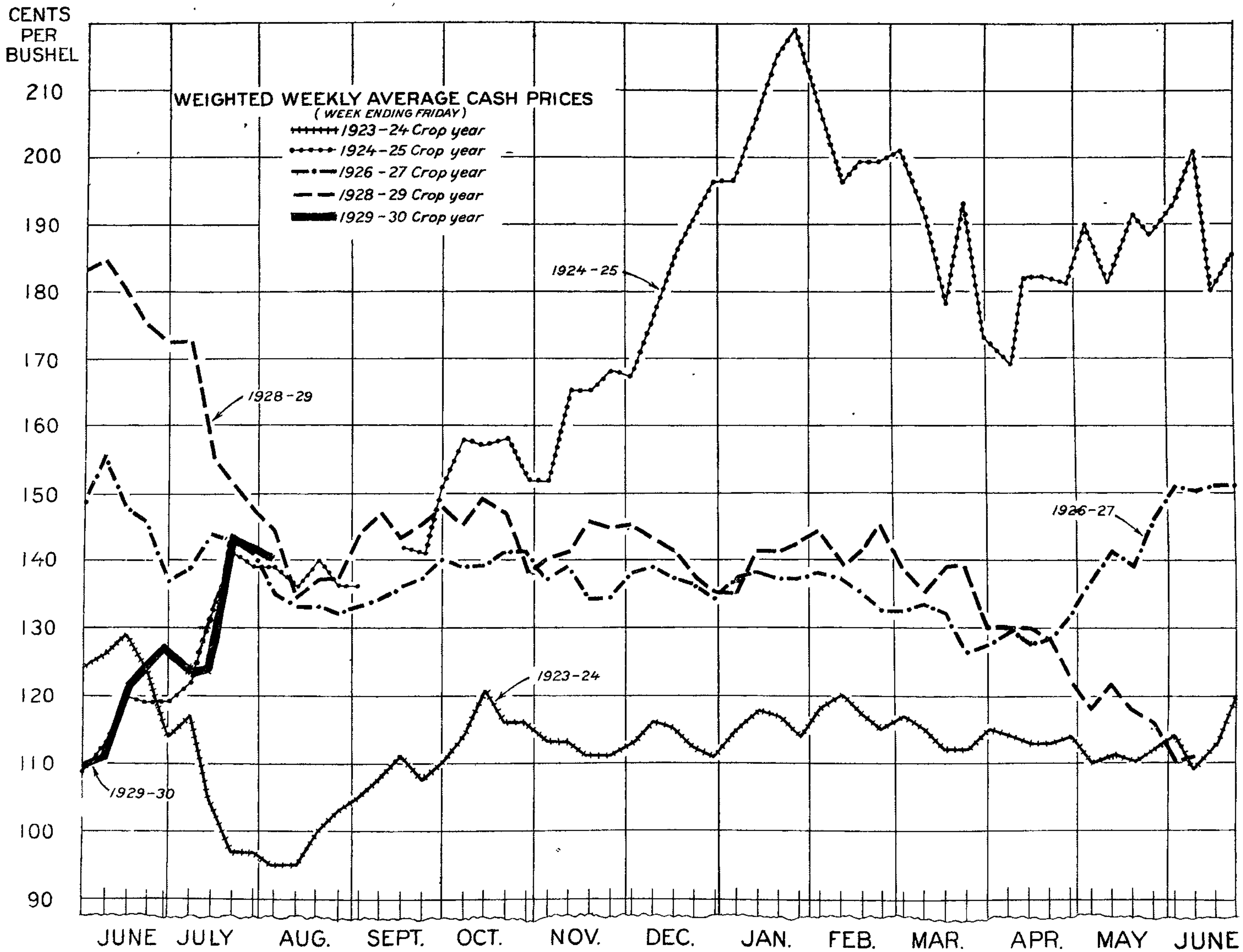
# WHEAT: PRICE OF No. 2 RED WINTER AT ST. LOUIS

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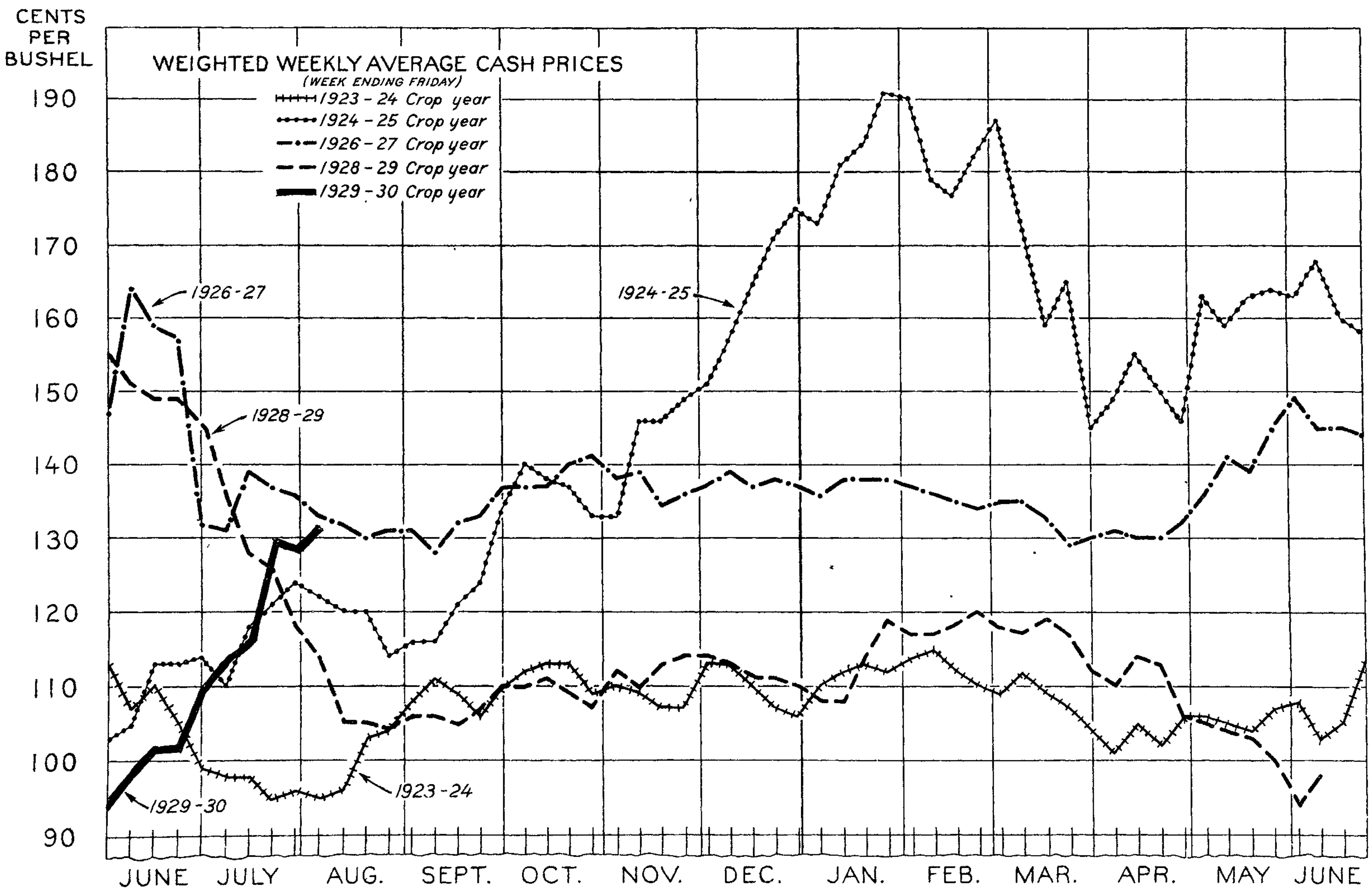
# WHEAT: PRICE OF NO. 2 HARD WINTER AT KANSAS CITY

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