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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
To Sept. 12, 1929

The world wheat situation in September has not changed materially from what it was in August. The world's supply for the 1929-30 season appears likely to be about 3,950,000,000 bushels, a reduction of 360,000,000 bushels from last season. Conditions to date indicate that world production will total about 3,400,000,000 bushels, or 500,000,000 bushels less than last year.

The world's production is considerably less than the world consumed last year. With higher prices and better corn crops in southern Europe consumption will be reduced but it seems probable that consumption will exceed production and the carryover at the end of the year will be less than the stocks on hand at the beginning of the year.

It is probable that Europe will take in the season June 30, 1929, to July 1, 1930, nearly as much wheat as in the past season, but the Orient will take considerably less. Larger crops will reduce the demand of France and the south European countries but some of the north European countries will have to buy about as much as they bought last year to meet their food requirements. South and Central American countries will probably take about as much as last year. The Orient, which last year took large quantities of low priced wheat from Canada, will probably curtail consumption on account of higher prices.

A large carryover of old wheat, mostly in the United States, an early harvesting season, and a continuation of exports in large volume from Argentina have contributed to a temporary depression in wheat markets. Buying in some of the north European markets has slackened on account of accumulations of stocks of old wheat and in the southern European markets on account of new domestic wheat supplies becoming available. The south European exporting countries, however, have continued to sell wheat and the United States has shipped in July and August 13,000,000 bushels more than in the corresponding months of last year.

The demand for wheat from the United States should improve shortly both on account of a reduction in supplies from the Southern Hemisphere countries and increased activity in buying in European markets. Several of the north European countries will have to buy large quantities of wheat and the stocks they now have on hand with their domestic supplies are not sufficient to take them out of the market for a period of any length. Australia has only a small surplus remaining for export in the next three months. Argentina probably can not continue to ship 6,000,000 bushels a week through the next three months. With a short crop in Canada exports from that country will move at a much lower rate than last year.

In the United States the pressure of the movement of new wheat from the farm to market has probably reached the turning point except possibly in the spring wheat markets. Receipts are declining. Cash prices, which have declined under the pressure of heavy marketing, are likely to improve as the marketings slow up.

The world wheat market situation appears to be quite similar to what it was in September, 1924, with some shift in the location of supplies. The movement of prices to date has been quite similar to that of the corresponding period in that season. While the course of prices through the remainder of the season may not correspond exactly with the course of prices in the 1924-25 season, the situation now seems to be such that a similar movement for the remainder of the season may be expected. Larger supplies in Europe, however, may prevent prices from rising as high or as rapidly through the fall months as in 1924.

WHEAT: World supply, price and disappearance

Year	Production					
	United States	Canada	Argentina	Australia	Europe a/	All other a/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257	650
1924-25	864	262	191	165	1,051	610
1925-26	676	395	191	115	1,391	667
1926-27	831	407	221	161	1,205	595
1927-28	878	480	239	117	1,262	677
1928-29	902	567	307	159	1,413	552
1929-30 b/	786	294	c/ (230)	(105)	1,370	615

Year	World production d/	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	3,479	170
1926-27	3,420	49	274	3,743	3,396	164
1927-28	3,653	5	347	4,005	3,584	154
1928-29	3,900	0	421	4,321	3,764	128
1929-30	3,400	0	557	3,957		

a/ Excludes Russia.
b/ Preliminary.
c/ Average yield 1919-1928 applied to 1929-30 acreage.
d/ Excludes Russia and China.

World production and crop conditions

Forecasts and estimates of production in 30 countries to date indicate a production of about 2,865,000,000 bushels, or 381,000,000 bushels less than was produced in the same countries last year when these countries produced 83 per cent of the world's crop outside of Russia and China. Weather and condition reports to date indicate a possible reduction of 125,000,000 bushels in the Southern Hemisphere crops.

The September spring wheat forecast of the Crop Reporting Board of the United States indicates a production of 786 million bushels in the United States, a reduction of 116 million bushels from the crop harvested last year. This reduction is mainly in spring wheat including durum, which is 97 million bushels less than last year.

The Canadian official report as of September 1 indicates a production of 22,000,000 bushels of winter wheat and 272,000,000 bushels of spring wheat making a total of 294,000,000 bushels, a reduction of 273,000,000 bushels from the crop harvested last year.

The official report confirms the earlier forecast of the Statistician of the Canadian Wheat Pool who announced for release September 7 an estimate of 272,000,000 bushels produced in the Prairie Provinces. According to Mr. Cairns, the crops now being harvested by provinces in comparison with production last year are as follows:

	1928 Million bushels	1929 Million bushels
Manitoba	47	32
Saskatchewan	316	156
Alberta	162	84

These estimates are in line with yields calculated from weather reports. Readers of Foreign News on Wheat will recall that an analysis of weather conditions published in the June issue indicated that with average conditions for the remainder of the season the yield per acre in Canada would be 15 to 16 bushels, and assuming an area of 24,500,000 acres the crop would be about 360,000,000 to 400,000,000 bushels. This calculation was made in May on the basis of weather conditions through April. The area as now reported is 25,251,000 acres. Conditions have continued to be unfavorable for the crop and considerably below average. Last month we indicated that the Canadian crop would probably be about 300,000,000 bushels, which is only 7,000,000 bushels in excess of the September official estimate. An analysis of weather conditions to date indicates a crop within a range of 290,000,000 to 330,000,000 bushels. The official forecast is still subject to revision and the actual outturn of the crop will not be definitely known until the end of the marketing season.

Consul Heintzleman of Winnipeg reports as of August 31 that the harvest is making good progress. The cutting of wheat is far advanced in all the provinces and threshing is in progress. Combines are in fairly general use throughout the three provinces.

There is a fairly good yield on the summer fallow a/ and new breaking, but very poor on stubble. The grading of the wheat is reported to be better than was expected, the bulk of it thus far grading No. 2 Northern to No. 4. Much of the wheat is shriveled but appears to be high in protein. Consul Heintzleman quotes the western general manager of the Lake of the Woods Milling Company, Winnipeg, as follows:

"The crop as a whole is much stronger than for the last few years. Results of our protein tests to date are shown in comparison with average of the past three years:

	1926	1927	1928	1929
Manitoba	11.4	11.2	12.3	13.3
Saskatchewan	13.6	12.3	12.8	14.8
Alberta	15.5	11.8	12.0	15.2

"These figures give an average of two per cent higher protein on this crop over last year, which is a desirable feature, especially from viewpoint of the baker.

"Milling quality of new wheat from Manitoba has so far been good, but from Saskatchewan and Alberta only fair. Most of the Manitoba samples are plump and well filled, and give good returns in flour yields.

"On the other hand, Saskatchewan and Alberta samples are nearly all lean, showing very decidedly the effects of drought and excessive heat.

"Baking results from new samples have been excellent. Loaf volume is larger than last year, due to effedt of higher gluten content.

"Color of flour and bread slightly creamy, but satisfactory for new wheat. Absorption and bread yield give promise of being superior to last year."

Hence it appears that this year's Canadian crop is likely to grade higher and be more valuable per bushels than last year's crop.

Argentina

The Argentine crop is still somewhat uncertain. Drought and relatively high prices for corn have checked expansion and reduced the wheat area. The area seeded is reported as being officially estimated at 19,027,000 acres, a reduction of 9 per cent. Droughty conditions have continued and apparently subsoil moisture is scarce, as it was in Canada in the spring. The precipitation reported to the United States Weather Bureau in August and the first of September was very scant, amounting to only two-tenths of an inch in the north and three-tenths of an inch in the south in the six weeks ending September 9, which is only about a third of the average for the period. Total rainfall since the first of October has been deficient also. In the Northern zone from October through July it was between 2/3 and 3/4 of normal. Temperatures during August and early September were generally above normal, which in the absence of rainfall is also detrimental to the crop. With favorable conditions for the remainder of the season it seems doubtful that yields could be better than average, which in the past ten years has been 12 bushels per acre. Average yields upon the acreage reported would produce a crop of only about 230,000,000 bushels, as compared with a crop of probably over 300,000,000 bushels in the past season.

The actual outturn of last year's Argentine crop is still somewhat uncertain. Some time ago the crop was officially estimated at the equivalent of 307,000,000 bushels. Recently it was reported that the crop is officially estimated at about 282,000,000 bushels. Shipments from Argentina, January 1 through August have totaled about 196,000,000 bushels. Assuming that the domestic consumption for seed, feed and food amounts to about 80,000,000 bushels, we have accounted for 276,million bushels to date and Argentina is still shipping at the rate of about 6,000,000 bushels per week. It seems reasonable to assume, therefore, that the crop amounted to at least 300,000,000 bushels. For the present we are dontinuing to use the 307,000,000 bushel figure as the nearest approximation to the probable outturn of the Argentine crop last year. Using this figure and assuming an average yield for the present season would indicate a reduction of about 75,000,000 bushels

AUSTRALIA

The Australian wheat crop is still suffering from droughty conditions in the eastern States. In the second week of August these States received some rain which was beneficial. But a cable from Sydney as of September 10 states that August rains were totally insufficient to afford subsoil moisture which the crop urgently needs. Our correspondent estimates the Commonwealth crop on the basis of present conditions at 105,000,000 bushels. Last year the Commonwealth produced about 160,000,000 bushels. The Australian production by States was as follows:

	Million bushels
New South Wales	50
Victoria	46
Western Australia a/..	34
South Australia	30

a/ Recently revised from 32 to 34 million.

The wheat growing area of Western Australia has had ample rainfall to provide subsoil moisture for the seed bed and the crop in this State looks good and is in position to survive a fairly dry growing season. This territory has seeded an area 10 per cent greater than last year, making a total of about 3,500,000 acres for grain and it is reasonable to expect a production of 35,000,000 to 40,000,000 bushels. Drought in September and hot dry winds in September or October might, however, reduce yields.

Rainfall in the eastern States has been considerably below normal in the wheat growing areas. In South Australia, Victoria and New South Wales the area seeded probably has been reduced from about 11,000,000 acres in 1928 to 10,000,000 acres. Our correspondent believes that scarcity of subsoil moisture has already resulted in an abandonment of about 1,000,000 acres reducing the effective grain producing area to about 9,000,000 acres. He also believes that it is now too late for even good general rains to repair the damage. Germination has been indifferent and stooling generally bad. Some areas have been grazed. Under the most favorable conditions our correspondent believes that the eastern wheat States of Australia can produce only about half the quantity returned last year.

Apparently Australia has only a very small quantity of wheat on hand for export during the remainder of the season and for carryover at the end of the season. From an exportable surplus of 100,000,000 to 110,000,000 bushels Australia has shipped to August 31 about 92,000,000 bushels, leaving at the most only about 18,000,000 bushels for export in the four months, September - December, and for carryover into the new year beginning January 1. In the past month weekly shipments have averaged a little over 1,000,000 bushels. With prospects of a short crop it is doubtful that this average of shipments will be maintained through the remainder of the season as there is likely to be a tendency to hold on to some of the wheat for domestic consumption or to supply usual export demands in the coming season.

Wheat growers in the United States may be interested in some notes relative to the cost of producing wheat in Australia. The Pastoral Review has from time to time published estimates of the cost of production of wheat in Australia which have shown a range of from about 109.5 cents per bushel to 194.7 cents per bushel. The variation has been due chiefly to the value of the land farmed and the yield produced. In the July, 1929 issue are published the following estimates as prepared recently by the Horsham (Victoria) Agricultural Society which had appointed a special committee to ascertain production costs on the Wimmera plains, probably the most productive wheat district in Australia. For the purpose of the computation a farm of 640 acres was taken, where a system of two year rotation (bare fallow-wheat) is followed. The farm is valued at $107 an acre. Six hundred acres are in cultivation regularly, 300 being under fallow, 260 sown with wheat, and 40 with oats, the average yield being 27 bushels wheat, and 2½ tons hay per acre. After adding the farmer's own wages at the rate of $24.23 per week, the cost is shown to approximate 129.27 cents a bushel delivered at the railway yards 10 miles away. If wages are not charged the cost is about 113.55 cents a bushel.

The practical value of the estimate may be gauged when it is mentioned that an individual farmer, also in the Wimmera, but working cheaper land, has prepared a balance-sheet which shows he can produce wheat at 81.11 cents a bushel in a normal season. Still another man, this time in Riverina, on land that costs $68.13 per acre, is able to grow the crop at a cost of 66.91 cents a bushel. The last mentioned adopts the most scientific methods of cultivation, and obtains an average yield of 26 bushels, an exceptionally high return for Riverina. (Pastoral Review, July 16, 1929)

The demand for wheat from surplus producing countries

The European demand for overseas wheat probably will be about as good as it has been in the past season. The takings are likely to be less than last year but at higher prices. Forecasts and estimates to date indicate that European production outside of Russia will be about 1,370,000,000 bushels, or only about 40,000,000 bushels less than last year. The corn crop of southern Europe is much better than last year. The rye crop in countries reporting to date is also a little larger than last year. France and several of the southern European countries are harvesting larger wheat crops. Larger supplies of corn in the Balkan countries will free more of the wheat for export. Larger supplies of corn and wheat in Italy, Spain and France will reduce the import requirements of those countries.

But Italy will still be in the market for durum wheat from the United States and Canada and some other hard wheats to meet the demand for hard wheat flours. France will also purchase hard wheats to mix with her own and to meet special demands for flour from this type of wheat. The demands of these countries probably will not be reduced in proportion to increases in crops. Many of the north European countries which import large quantities have shorter crops and will probably buy about as much wheat as last year. The United Kingdom customarily produces but a very small percentage of her bread supplies and is this year harvesting a small crop. Germany has smaller wheat and rye crops and may import more wheat than last year. The same may be said of Belgium and the Netherlands. Increased imports by these countries will largely offset reductions in the imports by the southern countries.

The great expansion in consumption in the past season was not in Europe but in the Orient. China and Japan imported large quantities of wheat and flour, partly because it was cheap. Consul Kemper cables from Tokyo, September 6, that mill stocks are larger than normal, export demand fair, but milling activity below the high level of last year. Agricultural Commissioner Nyhus cables from Shanghai, September 11, that the arrivals of domestic wheat for Shanghai mills continue to be liberal and somewhat larger than anticipated early in the season. He believes that local supplies are sufficient to keep the mills operating until in January or February. Prices are too low for the sale of American wheat in the Shanghai markets. Stocks of flour are reported to be large and the flour market is steady but not very active. The demand from North China is only fair, the Nanking Government having embargoed exports of flour to the port of Darien, presumably to prevent flour supplies from reaching the Russians in Siberia. Commissioner Nyhus has previously reported large stocks of flour at Tientsin. These reports indicate a weak market in the Orient during the next few months. The domestic supplies of wheat and the present stocks of flour, however, will not last through the season and the Orient probably will be in the market again for considerable quantities of wheat in the latter half of the season, but will not take as much as in the past season.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1924-25 to 1929-30

Country from which exported	1924-25	1925-26	1926-27	1927-28	1928-29 prel.	Preliminary estimate 1929-30
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States	255	92	206	191	142	225-275
Canada	194	320	305	305	422	250-275
Russia	0	27	49	5	a/ b/	0- 5
British India	45	7	9	13	b/ - 22	0- 5
Hungary	15	19	21	22	20	10- 15
Rumania	4	8	9	8	2	10- 15
Bulgaria	b/c/ -2	4	2	2	d/ (1)	0- 2
Yugoslavia	9	12	10	1	8	20- 35
Algeria	b/ -1	5	b/ -1	5	4	5- 10
Argentina	125	100	138	178	216	150-175
Australia	124	77	97	73	112	60- 78
Total all coun. listed	768	671	845	803	905	730-890

a/ Less than .01 million bushels. b/ Net imports. c/ Year ended July 31.
d/ Rough approximation.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, years beginning July 1, 1924-25 to 1928-29

Country	1924-25	1925-26	1926-27	1927-28	1928-29 prel.	Prel. est. 12 months 1929-30
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United Kingdom	216	188	217	211	204	210-225
Italy	96	64	87	87	91	55- 70
Germany	71	56	94	92	68	80- 90
France	41	34	53	54	51	10- 20
Belgium	39	39	40	42	42	42- 45
Netherlands	26	27	28	31	29	30- 33
Czechoslovakia	23	19	21	21	17	13- 17
Greece	22	a/ 19	20	b/ (19)	b/ (22)	20- 24
Irish Free State	19	18	19	19	18	18- 19
Austria	16	15	17	16	b/ (14)	14- 17
Switzerland	14	14	17	18	15	16- 18
Sweden	11	6	6	9	8	7- 9
Norway	5	6	6	7	9	7- 9
Denmark	6	6	7	10	17	8- 12
Finland	4	5	5	6	5	5- 7
Poland	14	c/ 2	7	8	4	3- 9
Spain	c/ -1	1	1	4	15	5- 7
Estonia	1	1	1	1	b/ (1)	1- 1
Latvia	2	2	2	2	b/ (3)	1- 3
Total above Eur. coun.	625	522	648	657	633	545-635

a/ Year ended July 31. b/ Rough approximation. c/ Net export.

Prices

Wheat prices declined in August. The average price of all classes and grades at six markets in the United States declined from 135 cents per bushel the week ending August 2 to 124 cents per bushel in the following week, rose to 128 cents and then declined again toward the end of the month. Chicago futures dropped from 147 cents on August 1 to 131 cents on August 22 and then turned upward. There were similar price changes in foreign markets. September futures at Buenos Aires were 131 cents per bushel on August 1 and 115 cents on August 29. October futures at Liverpool dropped from 155 cents on August 1 to 140 cents on August 29. The present depression in wheat prices in world markets generally is due to heavy marketings of new wheat in the United States, continued large exports from Argentina and early harvests in many countries.

In the United States large stocks of old wheat on hand, early harvests and the prompt marketing of new wheat have resulted in congested terminals. Heavy marketings and scarcity of storage space have resulted in very low prices for spot cash wheat. For example, on September 10 No. 2 hard winter wheat at Chicago was quoted at 129 cents per bushel. On the same date September futures closed at 133-3/4 cents and May futures at 150-1/8 cents per bushel. This wide spread between cash wheat and futures is undoubtedly due to a surplus of new wheat to meet immediate demands, while the higher prices for futures indicate an expectation of higher prices later in the season.

The expected reduction in the world supplies of wheat on the average would raise world market price levels 40 to 45 cents over the average prices realized in the past season. This would indicate that the average prices paid for British parcels, for example, would be increased from 128 to 170 cents per bushel. Increases in the prices at other markets would depend upon the relation of the conditions in the markets to the British market. The supply and price situation in this season to date is quite similar to the conditions in 1924. It now seems likely that the course of prices for the remainder of the season may be somewhat similar to that of 1924-25 marketing season. It is not to be expected that prices will follow exactly the same course. The rise during the next few months may not be quite as rapid as in 1924. Should the Southern Hemisphere crop turn out to be larger than now expected, prices may not reach as high a level as in the winter of 1924-25 and the course of prices in the latter part of the season will depend upon prospects for the 1930 crop.

WHEAT: Closing prices of July and September futures

Date	Chicago 1928	Chicago 1929	Kansas City 1928	Kansas City 1929	Minneapolis 1928	Minneapolis 1929	Winnipeg 1928	Winnipeg 1929	Liverpool 1928	Liverpool 1929	Buenos Aires a/ 1928	Buenos Aires a/ 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	131
8	113	135	105	130	110	136	c/114	c/154	c/134	c/144	113	119
15	113	135	106	131	111	137	c/113	c/157	c/130	c/144	116	120
22	112	131	105	126	110	133	c/114	c/154	c/130	c/140	112	121
29	110	132	105	127	109	134	c/111	c/154	c/131	c/140	c/114	115
Sept 5	110	132	103	127	108	134	c/111	c/152	c/130	c/142	c/114	120
						December futures						
12	113	144	107	137	110	145	110	158	129	149	c/110	c/122
19	115		109		112		118		131		c/110	
26	118		112		115		116		135		c/113	
Oct 3	118		112		114		118		136		c/115	

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 1928	All classes and grades six markets 1929	No. 2 hard winter Kansas City 1928	No. 2 hard winter Kansas City 1929	No. 1 dk.n.spring Minneapolis 1928	No. 1 dk.n.spring Minneapolis 1929	No. 2 amber durum Minneapolis 1928	No. 2 amber durum Minneapolis 1929	No. 2 red winter St. Louis 1928	No. 2 red winter St. Louis 1929	Western white Seattle a/ 1928	Western white Seattle a/ 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	124	105	121	127	139	103	127	134	131	118	130
16	108	125	105	124	125	139	108	120	137	129	113	128
23	108	128	104	122	123	141	109	131	137	134	112	128
30	110	123	106	120	122	134	109	127	144	130	113	125
Sept 6	110	128	106	125	125	137	104	132	147	138	113	126
13	107		105		123		104		143		115	
20	108		107		126		107		145		116	
27	111		110		130		109		148		117	

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

PROTEIN PREMIUMS

The hard wheats of the United States, as well as Canada, have a high percentage of protein this year. Inspections at Kansas City for the week ended September 6 averaged 12.92 per cent protein and at Omaha, 12.55 per cent. These percentages are higher than last year. Bozeman, Montana reports that 1,573 samples of spring wheat tested to August 31 averaged 15.7 per cent and 1,010 cars at Grand Forks, North Dakota averaged 14.3 per cent. Thus, it is evident that the protein content of the hard winter wheats is moderately high, while the protein content of spring wheat in North Dakota and Montana is higher than the average of any recent year. Tests made in Kansas in 1926 averaged 14.3 per cent and in 1924, 12 per cent. The tests in Montana in 1926 averaged 14.05 per cent and in North Dakota, 13.20 per cent. In 1926 protein premiums declined to a low level in November and remained low until in the latter part of the season.

Premiums paid for protein in wheat have declined rapidly both at Minneapolis and Kansas City since wheat from this year's crop began to arrive at terminal markets, until at the present time premiums are being paid only for wheat running quite high in protein. At Minneapolis, heavy-weight wheat testing lower in protein seems to be in greater demand at present than higher protein wheat that is light in weight. The following table shows how average premiums over nearest future closing prices have been running on No. 1 dark northern spring at Minneapolis:

Date	12 per cent protein	13 per cent protein	14 per cent protein	15 per cent protein
	Cents	Cents	Cents	Cents
July 1 ...	4.0	13.0	25.0	
8 ...	4.0	12.5	22.0	
15 ...	4.0	12.5	21.0	
22 a/.	1.5	8.0	14.0	
29 ...	-0.5	6.5	12.5	
Aug 5 ...	-1.0	4.0	8.0	
12 ...	-1.5	3.0	5.0	
19 ...	-2.5	1.5	4.0	8.0
26 ...	-5.0	-1.0	1.0	2.0
Sept 3 ...	-3.0	-0.5	1.5	2.5
7 ...		0.0	1.5	2.5

a/ Over September futures.

Protein premiums at Kansas City have declined greatly also and are very small at present. This is shown in the following table on premiums paid since July 1, 1929, for No. 2 hard winter wheat of 12.25 to 12.45 and 12.75 to 12.95 per cent protein over the price of 11.25 to 11.45 per cent protein.

Week ended	12.25 to 12.45 per cent protein	12.75 to 12.95 per cent protein
	Cents	Cents
July 6	4.2	7.0
13	4.3	8.4
20	2.0	6.5
27	1.9	5.3
Aug 3	1.4	3.8
10	1.5	2.6
17	1.6	3.9
24	1.4	2.0
31	0.8	1.5
Sept 7	0.8	--

In the past few seasons for which we have data low premiums early in the season have been followed by some improvement or higher premiums in the last few months of the season. Since the spring wheat crop is relatively short it seems likely that supplies will be reduced toward the end of the year and high protein wheats may be sufficiently in demand to bring relatively good premiums.

The Continental European wheat situation during August 1929 a/

Business on the Continental European wheat markets in August was considerably smaller than in July when important activity was registered practically everywhere. Prices declined in sympathy with overseas quotations. Considerable export sales of wheat took place in the Danubian export markets, the bulk of which was sold down the Danube to western Europe. This export business remained active even at times of extreme dullness elsewhere. The trade thinks that the main influence in the price decline on the Continent through August, despite continuance of unfavorable crop reports from important overseas producing regions, was the world stocks situation and the pressure of the North American winter wheat crop. The first few days in September there was an increase in turnover in central and western Europe, while the Danube export markets were quiet.

Sales of flour were also restricted and prices declined. Stocks of old crop wheat in the Danubian surplus countries have been greatly reduced through heavy shipments in recent weeks. In central Europe they are also rather low, while France still has about one months supplies on hand on September 1.

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a/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, August 29, 1929.

Rye prices also declined and business was not large. Offerings of new crop rye in central Europe became heavy during August and depressed the market considerably. In Germany the Getreidehandels-Gesellschaft a/ had to make stock purchases of rye to prevent further price declines. Prospects for the European rye crop are still very good and contribute to the weakness of the rye positions. The same is true of the somewhat important old crop stocks in central Europe.

European buyers of feed grains were also rather reserved during August, following the good July business. Despite reports from the United States, where both corn and barley crops are considerably below last year, prices weakened generally, due to the stocks of corn in Argentina, prospects for a good corn crop in south-eastern Europe, and heavy Danube shipments of barley where production this year is very much above last year. The market tendency for oats was also weak. Offerings of new crop barley and oats in central Europe were already considerable.

Reports on the outturn of the wheat harvest in Continental Europe mostly confirm those available at the end of July, except for France where opinions, though still divided as to the extent of a crop increase over 1928, now seem to agree on the statement that 1929 wheat production is considerably above 1928. However, as France is by far the largest wheat producer on the continent, the change in the estimate for France makes it probable that the Continent as a whole harvested quantities more nearly approaching those of last year than was thought earlier in the season. Nevertheless the crop will be about 3 per cent below 1928, chiefly owing to the heavy decrease in the Danube Basin which amounts to about 70,000,000 bushels of wheat. These 70,000,000 bushels will more than offset any possible increase of the French wheat crop over last year. Regarding other countries, it should be noted that increases in the Italian, Spanish, Portuguese and Polish wheat crops are nearly offset by decreases in the remaining continental deficit countries of France.

These estimates show that the wheat crop on the Continent will be about 3 per cent below 1928, or about 6 per cent above the average 1926/28. As to the distribution of the crop it is important to note that, while the surplus regions crop is about 20 per cent below 1928, the deficit countries have a crop of about 3 per cent more than last year. This distribution is somewhat favorable to increased consumption.

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a/ The Getreidehandels-Gesellschaft is a government supported organization with the aim of intervening on the German grain market if the price situation becomes critical. It was founded in 1926 when the rye crisis 1925/26 urgently demanded some relief. The administration of this organization, which presents itself as a company dealing in grain, consists of representatives of semi-official agricultural organizations and other groups concerned with grain production, trade and consumption.

The quality of the wheat crop is not definitely known as yet, but it is believed that it will not be much below the satisfactory outturn last year. The crops of Rumania and Hungary are officially reported to be of good quality or about the same as last year. Also rye is thought to be quite good, and as far as quality is concerned there will be no inducement to farmers to feed bread grains to any unusual extent. Feeding of bread grains last year was quite important as a result of the low bread grain prices compared with the price of feedstuffs; this is chiefly true for rye, the price of which became more and more unfavorable compared with wheat, as the season advanced. As far as prices are concerned there will also be some inducement to feed rye this year, in view of the large spread between wheat and rye prices, the latter being now below the quotations at the same time last year and below the average for 1928/29, while wheat is considerably above.

Under present circumstances on the domestic grain market Russia will be out of consideration for exporting wheat this year.

Germany

The wheat market in Germany held up well until the end of July but since then has continually weakened with a very quiet tone prevailing throughout August. Flour mills have bought only limited quantities for current needs. During the first part of July imports of wheat were large, which resulted in increased stocks but which did not reach a high level. Domestic offers were not large until about August 20 when deliveries increased. The decline in German prices of spot wheat from $1.72 per bushel on August 1 to $1.53 on August 26 or near the 1928 level was quite in sympathy with the decreased price moment in the United States except for the temporary rise in United States wheat prices in mid-August. The effect of late reports showing a wheat supply in Germany materially below last year will at least be a steadying factor on the market which declined in September of last year.

Prices for rye have also experienced a considerable decline since the beginning of August. The price for domestic rye in Berlin was $1.16 per bushel per metric ton on August 26 as compared with $1.24 per bushel on August 1 and about $1.27 per bushel at the end of August 1928. Offers of domestic rye have increased considerably recently and prices would have decreased more had not the Getreidehandels-Gesellschaft bought considerable quantities to stabilize the price level. The outlook for rye prices remains rather unfavorable owing to the large stocks from the old crop, a large new crop in Germany and a record crop in Poland. The comparatively low price level will be a strong inducement for feeding rye.

The following table shows the development of domestic wheat and rye prices:

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

Date of quotation	Wheat of at least 58.7 pounds per bushel			Rye of at least 55 pounds per bushel
	Hamburg a/	Breslau a/	Berlin b/	Berlin b/
	Cents	Cents	Cents	Cents
July 17	182	163	169	123
July 24	181	162	167	116
July 31	182	166	171	121
Aug 7	178	163	166	118
Aug 14	180	159	160	114
Aug 21	174	158	157	117
Aug 28	165	152	147	111
Sept 4	165			119
Sept 11	160			114

a/ Wheat of any German district.
b/ "Maerkischer" grain.

PRICES OF DOMESTIC WHEAT AND RYE IN GERMANY
Cents per bushel

	July 17	July 24	July 31	Aug 7	Aug 14	Aug 21	Aug 28	Sept 4	Sept 11
Hamburg, Wheat	182	181	182	178	180	174	165	165	160
Breslau, Wheat	163	162	166	163	159	158	152		
Berlin, Wheat	169	167	171	166	160	157	147		
Berlin, Rye	123	116	121	118	114	117	111	119	114

Wheat imports in July were very large, amounting to 16,002,000 bushels, compared with 6,913,000 bushels in June 1929 and 7,680,000 bushels in July 1928. This heavy importation took place chiefly at the beginning of July before the raise in wheat duties became effective on July 10. August imports are expected to be somewhat smaller than in July. Stocks of the trade and the flour mills have probably increased as a consequence of the large July imports, but are not unusually large as is indicated by the visible stock figures for Berlin. The imports of rye in July were also comparatively large, amounting to 1,640,000 bushels in July 1929, compared with 398,000 bushels in June 1929 and 1,882,000 in July 1928.

Farm deliveries were not especially large during the period under review, but recently increased for both wheat and rye. Farm stocks of old rye are still reported to be large.

According to the official preliminary crop estimate as of beginning July the production of winter wheat will amount to 109,000,000 bushels compared with the final estimate of 127,000,000 bushels in 1928. The corresponding figures for winter rye are 312,000,000 bushels and 331,000,000 bushels. The official Prussian figures as of beginning of August indicate that the July estimate has not changed materially. The publication of the August figures for the whole of Germany is expected in the near future.

France

Since the beginning of August wheat prices have declined under the pressure of favorable domestic crop reports and large farm offers. The trade and flour mills generally showed a reluctance to make extensive commitments. Marketings by farmers, however, are soon expected to show some slackening as the larger part of the crop has been threshed. Reports on the wheat crop show a wide range but it is now generally conceded as one of the best since the war. This upward revision in the estimates has only been warranted during the past month as there were many uncertain reports early in July. The official report on the French wheat crop of around 320,000,000 bushels just issued should be regarded as a minimum. Our opinion that the crop is somewhat higher than this and near the figure for the 1925 crop is based on an extensive review of the wide range of reports and on recent personal investigation. Apparently the amount of grain was much greater than usual according to the straw and this resulted in a considerably better outturn than earlier expected. The crop is only average in the southeast and east, but elsewhere is generally above average, particularly in the center and northwest. The weather has been very favorable to harvesting the crop and the quality compares well with the quality of last year.

Stocks on hand are regarded by the trade as sufficient for about one month's consumption. On the whole it appears that this year's supply is near the amount required for domestic consumption but there is still a need for overseas wheat for mixing, although requirements are much reduced below last year. Although the country will be a net importer of wheat, from the present indications on the supply situation some of the domestic wheat will be available for export. It seems unlikely, however, that any large amount will find an outlet and as a result a larger amount of wheat will be consumed at home or carried over into the next crop year.

Italy

In Italy this year's wheat crop is now estimated at about 245,000,000 bushels as compared with 228,596,000 bushels last year. The market has been rather independent from price fluctuations in the world market. Imported wheat has been of comparatively small importance the past month as domestic wheat was offered in large quantities. The above estimate may be somewhat high according to earlier reports on the crop but it appears that the new crop will exceed last year's outturn. The corn crop is also better which is a factor of some importance in holding down import requirements of wheat.

Holland and Belgium

Wheat markets in Holland and Belgium have been quiet throughout August and transactions much smaller than in the preceding month. There was but a limited demand from domestic flour mills and almost no demand from German buyers. Port stocks which were very small in July owing to large German purchases of spot grain have again tended to increase. The wheat crop will be considerably smaller than last year in both countries.

Poland

The wheat market in Poland during the past month remained relatively resistant in spite of some slight price declines. Stocks from the old crop are very small and marketings of the new crop have not yet attained large proportions. The rye market remained depressed with inland demand restricted and poor prospects for export business.

According to a recent official crop estimate the wheat and rye crop will turn out larger than last year and much larger than the average for the last five years. It is to be noted that the crop in the adjacent territories of Germany and Czechoslovakia are smaller than last year which throws some doubt on the high estimate of the Polish crop.

Danube Basin

The Danubian surplus countries as well as the Viennese trade registered a rather active export business for Hungarian and Yugoslavian new crop wheat. Most of the sales were done with western and northern Europe while central European deficit countries were reserved. Export business was particularly active during the first half of the month. Price declines were less marked than elsewhere, and prices for Danube wheat compared very favorably with competing oversea qualities. Reports from Yugoslavia indicated that the sales had been so numerous recently that much of the new crop appears already to be sold, and old crop stocks have been greatly reduced through recent shipments. Hungary indicates considerable pressure of heavy marketings of wheat by the farmers who are forced to sell their crop early in order to meet various obligations.

The combined Hungarian, Yugoslavian, Rumanian and Bulgarian wheat crops this year will about equal the five year average 1924/28, but this means a production of fully 70,000,000 bushels of wheat smaller than last year. Austria and Czechoslovakia will also have wheat crops somewhat below last year.

Production of corn and barley, however, will be far larger than last year in the surplus countries of the Danube Basin. As a result of recent rains the prospect for an unusually good corn crop continues. Barley production in Rumania is nearly twice as large as last year. The trade expects considerable business in feed grains this year with western Europe.

Soviet Russia

This year's procurings of all grains through August have been well above last year, but the procuring of bread grains is less satisfactory, and total bread grain collections for the three months, July to September, may not reach the government plan for that period,

As to the actual outturn of the 1929 crop, reports have been rather vague up to the present, the predominant note being that the gross crop of all grains is somewhat larger than in 1928, when the crop was placed at 73.3 million tons. An early August report indicated that the crop is thought to be about 8 to 9 per cent above that of the previous year, but this figure was not confirmed by other statements and seems somewhat too high, particularly in the face of the recently mentioned deterioration of the crop in the eastern regions, which is probably not offset by improvement in the south.

On the basis of the latest statement of the Chairman of Commissariat of Trade of USSR, it seems that the Russian crop of all grains will be not more than 5 per cent above that of 1928 and is more likely to be only 2 to 3 per cent above. Reports of bread grain production alone are less favorable than those for all grains, so it seems that the situation with respect to bread grains is less favorable, particularly in the face of the yearly increasing population and the necessity to refill Government grain reserves and build new ones.

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

Countries reported in 1928	Average 1909-1913	1926	1927	1928	1929, prel.
NORTH AMERICA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada	197,119	407,136	479,665	566,726	293,792
United States	690,108	831,040	878,374	902,191	785,726
Mexico	a/ 11,481	10,333	11,890	11,031	11,492
Total (3)	898,708	1,248,509	1,369,929	1,479,948	1,091,010
England and Wales	55,770	48,683	53,125	47,264	41,813
Netherlands	4,976	5,487	6,157	7,336	3,487
Belgium	15,199	12,801	16,277	17,986	15,995
Luxemburg	615	622	702	713	533
France	325,644	231,767	276,128	281,285	319,851
Spain	130,446	146,599	144,825	119,884	139,793
Italy	184,393	220,644	195,809	228,596	245,000
Switzerland	3,314	4,244	4,119	4,270	b/ 5,791
Germany	131,274	95,429	120,522	141,593	115,558
Austria, winter	c/ 12,813	9,001	11,469	12,419	11,559
Czechoslovakia	37,879	34,130	40,385	51,499	48,060
Hungary	71,493	74,909	76,933	99,211	70,698
Yugoslavia	62,024	71,427	56,568	103,294	96,929
Greece	d/ 16,273	12,403	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	91,858
Poland	63,675	52,490	61,093	59,219	60,259
Lithuania	3,264	4,180	5,273	6,327	6,283
Finland	137	924	1,064	998	1,036
Malta	196	310	294	289	293
Total (20)	1,315,880	1,173,477	1,222,568	1,364,094	1,329,028
AFRICA					
Morocco	(17,000)	16,174	24,618	24,746	28,623
Algeria	35,161	23,551	28,323	30,302	34,024
Tunis	6,224	13,044	8,267	12,125	12,125
Total (3)	58,385	52,769	61,208	67,173	74,772
ASIA					
India	351,841	324,651	334,992	288,811	317,595
Syria and Lebanon	(4,000)	13,940	14,582	6,490	11,133
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	369,792
Total above countries (30)	2,660,800	2,854,051	3,043,340	3,245,923	2,864,602
Est. world total, excl. Russia and China	3,401,000	3,420,000	3,653,000	3,900,000	3,400,000

Figures in parenthesis indicate the number of countries included.
a/ Four-year average. b/ Probably includes spelt and maslin. c/ Total.
d/ One year only.

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Commodity	Total shipments, or exports		Shipments, week ending			Net movement from July as far as reported		
	1927-28	1928-29 a/	Aug. 24	Aug. 31	Sept. 7	To & including	1928-29	1929-30
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Date	1,000 bushels	1,000 bushels
Canada:								
Shipments, 4 markets b/	333,335	458,649	1,587	1,780	1,940	Sept. 7	77,485	27,937
United States	206,259	163,670	5,372	5,958	3,309	Sept. 7	23,737	36,913
Argentina	178,135	215,729	6,924	5,696	5,106	Sept. 7	17,182	47,046
Australia	72,962	112,054	1,352	800	1,704	Sept. 7	11,204	12,508
Russia	5,408	8	0	0	0	Sept. 7	8	0
Danube & Bul. c/	32,847	31,000	160	184	120	Sept. 7	216	1,080
British India	14,328	d/-22,367	24	192	0	Sept. 7	1,040	354
Total	843,274	958,743	15,419	14,610	12,179		130,872	125,838

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William Port Arthur, Vancouver and Prince Rupert.

c/ Includes Hungary, Yugoslavia, Rumania and Bulgaria.

d/ Net imports.

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