THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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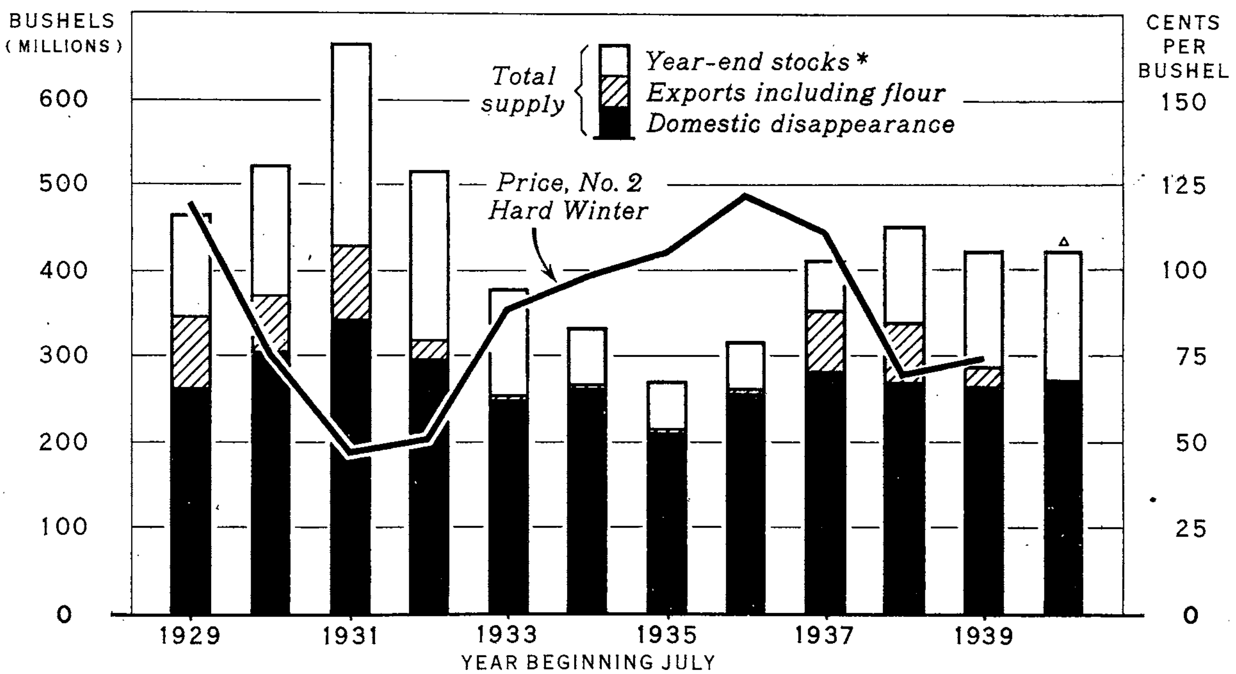
HARD RED WINTER WHEAT: DISTRIBUTION OF U. S. SUPPLY, AND PRICE AT KANSAS CITY, 1929-40



* STOCKS INCLUDE SOME NEW WHEAT, 1930-37 △ PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE NEG. 35687 BUREAU OF AGRICULTURAL ECONOMICS

IN RECENT YEARS INCREASED WHEAT PRODUCTION IN OTHER COUNTRIES HAS GREATLY REDUCED EXPORT OPPORTUNITIES, AND THIS YEAR THE TRADE ALSO IS RESTRICTED BY THE EUROPEAN BLOCKADE AND GOVERNMENT POLICY. [FOLLOWING 4 YEARS (1933-36) OF SMALL CROPS IN THE UNITED STATES WHICH CURTAILED OUR EXPORTS, COMPARATIVELY LARGE EXPORTS IN 1937-38 WERE POSSIBLE BECAUSE OF SMALL CROPS IN OTHER SURPLUS-PRODUCING COUNTRIES, AND IN 1938-39 BY THE GOVERNMENT EXPORT PROGRAMS.] EXPORTS OF HARD RED WINTER WHEAT DURING THE CURRENT YEAR ARE EXPECTED TO BE LIMITED TO SMALL QUANTITIES USED IN FLOUR EXPORTS.

in 1939-40

THE WHEAT SITUATION

Summary

Stocks of wheat on October 1 in the United States are estimated at 868 million bushels compared with 794 million bushels a year earlier. By comparison with the July 1 stocks and crop, this estimate for October indicates a domestic disappearance of 200 million bushels for the July-September period compared with 194 million bushels a year ago. The 1940-41 preliminary domestic disappearance estimate of 685 million bushels, which is 10 million bushels above that for 1939-40, continues to be a reasonable expectation. With total supplies for the season of 1,076 million bushels, and disappearance at 685 million bushels, there would be 391 million bushels available for export or carry-over. If an estimated 22 million bushels are exported to foreign countries or shipped to possessions, the carry-over July 1, 1941 would be 369 million bushels, or about 85 million bushels more than on July 1, 1940.

Current information confirms the early indication that the acreage seeded to winter wheat in the United States is about the same as was seeded a year ago. The condition of winter wheat probably is close to average for this time of the year. The first official report on acreage and condition of winter wheat and rye for harvest in 1941 will be issued December 20 by the Agricultural Marketing Service. If the total seedings for harvest in 1941 (winter and spring) turn out about the same as this year, and abandonment and yields are average, production will total about 750 million bushels. This would leave about 50 million bushels for export in 1941-42 or as addition to carry-over July 1, 1942, after domestic disappearance of about 700 million bushels is deducted.

Domestic wheat prices, continuing the advance which started following the low point in mid-August, are higher than a month ago. The effect of the loan program in reducing the supply of free wheat continues to dominate the market.

-- November 25, 1940

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carry-over of old wheat in the United States averaged about 230 million bushels in the 10-year period 1930-39, during which a record peak of about 360 million bushels was reached in 1933 and a low in 1937 of about 83 million bushels (lowest since 1919). Domestic disappearance during the 10 years 1930-39 averaged about 695 million bushels, with the highest of about 755 million bushels in 1931 and the lowest of about 625 million bushels in 1933. Wheat supplies in the United States for the year beginning July 1, 1939 were 1,007 million bushels, disappearance 675 million bushels, exports to foreign countries and shipments to possessions 48 million bushels, leaving a carry-over on July 1, 1940 of 284 million bushels.

Domestic wheat prices from the spring of 1933 to the spring of 1937 were unusually high in relation to world prices, as the result of small crops in the United States. During this same period, prices in other countries also moved upward, reflecting a world-wide recovery in commodity price levels, currency depreciation, and reduced production. The average prices received by United States producers for the 1931 and 1932 crops were 39 and 38 cents, respectively, compared with average prices for the four crops, 1933 to 1936, of 74, 85, 83, and 103 cents per bushel, respectively.

In 1937 United States production was large and prices to growers declined to an average of 96 cents. In 1938, with domestic production again large, with a record world crop and with lower commodity prices generally, prices received by producers declined to an average of 56 cents, 1/ and would have averaged still lower had it not been for the loan and export-subsidy programs which held domestic prices above export parity. Prices received by growers for wheat during the year beginning July 1939 are estimated at 69 cents. 1/ This also is relatively high compared with the usual relationship to prices in other countries, as a result of only a moderately large carry-over, reduced acreage, poor prospects for 1940 yields, and holding of wheat in expectation of higher prices.

Prices advanced sharply in September 1939, following the outbreak of the European War, and again in December, influenced by war developments and by poor crop prospects in Argentina and the United States. In the middle of May 1940, following the turn of events in Europe, selling became heavy and most of the gains were lost. From the middle of May until the middle of August prices declined seasonally. Subsequently prices have steadily advanced.

Domestic July-September disappearance slightly above year earlier

October 1 stocks in the United States are estimated at 868 million bushels compared with 794 million bushels a year earlier and 842 million bushe

1/ Includes unredeemed loan wheat at average loan values.

in 1938 (tables 1-2). By comparison with the July 1 stocks and crop, this estimate for October indicates a domestic disappearance of 200 million bushels for the July-September period compared with 194 million bushels a year ago and 214 million bushels for the corresponding period in 1938 (table 2). The price of wheat relative to the price of corn in many sections encouraged some increase in wheat feeding compared with a year earlier. The October 1 stocks figures for this year include about 13 million bushels of Federal Crop Insurance Reserves, which compare with 20 million bushels last year.

The 1940-41 disappearance of 685 million bushels indicated in October (10 million bushels more than in 1939-40) continues to be a reasonable expectation. Although disappearance during the first 3 months was 6 million bushels larger than a year earlier, the current rise in wheat prices relative to corn prices should result in a reduction in the rate of wheat feeding for the rest of the year compared with last year. With no changes apparently necessary in other factors affecting general supply and distribution, the situation remains as indicated in the October issue of The Wheat Situation, which was as follows: Carry-over on July 1 of 284 million bushels plus a crop placed at 794 million bushels gives a total supply of 1,076 million bushels. If exports to foreign countries and shipments to possessions total 22 million bushels, 1,054 million bushels would be available for domestic utilization and carry-over. On the basis of these figures, if the estimated domestic disappearance of 685 million bushels is deducted, there would be about 369 million bushels available for carry-over July 1, 1941. This would be about 85 million bushels above the 284 million bushels on July 1, 1940.

Table 1.- October 1 stocks of wheat in the United States, 1934-40

Year	Position: On farms	Position: In interior mills, elevators and warehouses	Position: Commercial	Position: Merchant mills and elevators 1/	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1934	244,275	2/ 114,772	120,075	126,597	605,719
1935	269,169	101,379	79,703	123,905	574,156
1936	225,172	113,079	82,849	119,635	540,735
1937	326,603	149,899	141,496	138,160	756,158
1938	400,476	172,141	139,273	130,198	842,088
1939	338,658	155,862	161,987	137,332	793,839
1940	359,746	188,618	186,524	133,319	868,207

Bureau of Agricultural Economics.

1/ Bureau of Census figures, raised to represent all merchant mills, include "stored for others by merchant mills".
2/ October 1 stocks in interior mills, elevators, and warehouses available only beginning with 1934.

Table 2.- Supply and disappearance of wheat in the United States, July-September, 1938-40

Item	1938	1939	1940
	Million bushels	Million bushels	Million bushels
Supplies -			
Stocks, July 1	152.7	252.2	284.1
Production	931.7	755.0	792.3
Total domestic supply	1,084.4	1,007.2	1,076.4
Less net exports, July-September	28.0	19.3	7.7
Less stocks October 1	842.1	793.8	868.2
Domestic disappearance 1/	214.3	194.1	200.5

1/ Balancing item.

Little change in winter wheat acreage probable

Current information confirms the early indication that the acreage seeded to winter wheat is about the same as was seeded a year ago. Also, winter wheat condition is probably close to average this year, -- considerably better than the poor stand a year ago. The first official report on acreage and condition of winter wheat (and rye) for harvest in 1941 will be issued December 20 by the Agricultural Marketing Service.

Winter wheat apparently was not seriously affected by the recent abnormally low temperatures. In Texas, dry planted grain came up to good condition in the eastern and central Panhandle sections. In Oklahoma progress has been mostly good, except in some dryer areas, and in Kansas wheat is in good condition to go into the winter, except in a few southwestern counties. In eastern Nebraska precipitation during the month has been helpful, but in other parts of the State the general condition remains poor. In Montana, also, rains and snow were helpful, and the outlook continues promising in the Pacific Northwest.

As was pointed out in the annual outlook statement 2/, if the total seedings for harvest in 1941 (winter and spring wheat) turn out about the same as this year, and abandonment and yields are average, production will total about 750 million bushels. This would leave about 50 million bushels for export in 1941-42, or addition to carry-over July 1, 1942, after domestic disappearance of about 700 million bushels is deducted.

Domestic wheat prices continue to advance

Domestic wheat prices, continuing the advance which started following the low point in mid-August, are higher than a month ago. For the week ended November 19, the average price of all classes and grades in six markets was 87.4 cents, which was 1.3 cents higher than for the week ended October 19, and 16.2 cents above the week of August 17, when prices averaged the lowest for the season (table 3).

2/ The Wheat Situation, August 1940.

Some market reaction took place following October 23, when prices reached the peak of a 6-weeks' advance. Milling and flour trade was weak during the last week in October, and the open interest in futures was the smallest in years. Prices recovered during the first half of November. The effect of the loan program in reducing the supply of free wheat continues to dominate the market. The total of the 1940 crop loans on November 19 was 257 million bushels compared with 158 million bushels on the same date a year earlier, and 167 million bushels for the entire 1939 season. Prices for the week ended November 16 were above loan values as follows: No. 2 Red at St. Louis 12.3 cents, No. 2 Hard Winter at Kansas City 9.2 cents, and No. 1 Dark Northern Spring and No. 1 Soft White at Portland both 3.9 cents. These differentials do not take into account storage charges of about 1 cent per month.

The amount that current prices are now above export prices in surplus producing countries is indicated by the export indemnity which would be required to export wheat to Europe. Computed on the basis of export values, this would be about 31 cents per bushel from Gulf ports and 26 cents from Pacific ports, as compared with 29 cents and 26 cents respectively, a month ago. Prices of domestic spring wheat at Buffalo are only about 10 cents lower than Canadian wheat, c.i.f., duty paid at Buffalo.

Table 3.- Weighted average cash price of wheat, specified markets and dates, 1939 and 1940

Month and date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Soft White Portland 1/	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -												
Aug.	72.2	72.6	64.6	69.3	76.2	73.5	80.1	76.6	68.5	76.6	70.0	73.3
Sept.	90.0	78.2	85.9	75.8	92.5	81.8	94.9	83.5	88.4	82.6	81.8	74.3
Oct.	85.6	84.6	82.7	81.6	88.2	88.3	90.1	89.5	87.5	89.8	80.0	75.2
Week ended												
Oct. 5	85.3	82.3	82.5	79.3	88.0	86.5	90.6	87.2	86.1	88.3	78.4	75.2
12	83.6	82.8	81.5	81.2	85.9	86.5	89.3	89.2	85.8	89.1	79.0	74.8
19	86.4	86.1	83.3	81.5	89.2	90.1	90.8	90.5	90.5	90.8	81.0	75.6
26	86.4	86.8	82.9	83.4	89.5	89.9	89.3	91.8	89.3	91.5	80.8	75.6
Nov. 2	88.1	83.6	85.3	81.1	90.8	87.0	91.9	87.0	92.3	88.4	80.9	74.7
9	89.1	84.8	86.6	82.0	92.1	88.0	90.6	92.0	93.0	89.4	80.6	76.2
16	87.3	87.4	85.6	86.2	89.8	90.9	88.5	92.5	91.1	93.3	80.2	76.9
High 2/	89.1	87.4	86.6	86.2	92.1	90.9	91.9	92.5	93.0	93.3	81.0	76.9
Low 2/	83.6	82.3	81.5	79.3	85.9	86.5	88.5	87.0	86.1	88.3	78.4	74.7

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ October 5-November 16, 1940, and corresponding dates, 1939.

THE WORLD WHEAT SITUATION 3/

BACKGROUND.- Total world supplies of wheat increased sharply from 1924 to 1933, largely as a result of increased acreage. From 1934 to 1936, world supplies declined, following successive years of small yields and increased world demand. Supplies increased slightly in 1937. With above-average yields on the large acreage, supplies in 1938 and 1939 were the largest on record.

World wheat prices declined in the period 1924-33 with the increase in world supplies. The sharp decline in prices after 1929 was caused largely by the general decline in industrial activity and commodity prices. From the spring of 1933 to the summer of 1937, world wheat prices moved upward, reflecting world-wide recovery in commodity price levels, currency depreciation, and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938, world prices again declined sharply as a result of record world production and weakness in demand. Prices in 1939-40 averaged higher than a year earlier, influenced by general expectations of increased demand for wheat as a result of the war, and by poor crop prospects in Argentina and the United States.

World trade in wheat and flour declined sharply following the peak year 1928-29, largely as the result of drastic restrictions on imports and increased production in major importing countries. In the early part of this period exports from the United States declined with those from other surplus-producing countries. During the period 1934-35 to 1936-37, small crops in the United States were followed by net imports. Net exports from the United States in 1937-38 were 99 million bushels, in 1938-39 they were 106 million bushels, and in 1939-40 they were 45 million bushels. In addition to exports to foreign countries, shipments to possessions usually total about 3 million bushels.

World wheat production estimate unchanged by small revisions

The indication for the total 1940 world wheat production is unchanged from a month ago, when it was placed at 4,025 million bushels. This was about 6 percent below the 1939 crop and 13 percent below the record 1938 crop. The estimates by countries continue largely unofficial and are necessarily based on fragmentary data. Estimates for different parts of the world are shown in table 4.

During the past month the Canadian official estimate was revised downward from 561 million bushels to 547 million bushels and that of Japan upward

3/ All references to world production and stocks in this report exclude the Soviet Union and China, except where noted.

from 62 million bushels to 66 million bushels, making a net reduction for the Northern Hemisphere of 10 million bushels. However, this was exactly offset by an increase of the same quantity in the indication for the Southern Hemisphere. The indication for Argentina, where conditions have improved during the past month, was revised upward by 20 million bushels. On the basis of reported acreage and weather conditions to date, the crop is now indicated at 230 million bushels. The crop for Australia is estimated at about 90 million bushels. Estimated world wheat supply for 1940-41 and supply and distribution for 1939-40, reprinted for ready reference, appear on table 7.

Table 4.- Production of wheat by principal geographical divisions, 1937-40

Country	1937	1938	1939	1940 1/
Northern Hemisphere	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
North America:				
United States	875,676	931,702	754,971	792,000
Canada	180,210	360,010	489,623	547,000
Mexico	10,955	11,845	14,771	13,000
Total (3)	1,066,841	1,303,557	1,259,365	1,352,000
Europe:				
Europe, excluding Danube Basin and the U.S.S.R. (26)	1,177,270	1,383,247	1,259,003	1,075,000
Danube Basin (4)	361,463	466,214	453,528	300,000
Total (30)	1,538,733	1,849,461	1,712,531	1,375,000
North Africa (4)	117,118	118,011	148,949	118,000
Asia (6)	579,632	639,528	639,413	676,000
Total 43 countries	3,302,324	3,910,557	3,760,258	3,521,000
Estimated Northern Hemisphere total, excluding the U.S.S.R. and China 2/	3,408,957	4,017,691	3,866,222	3,625,000
Southern Hemisphere				
Argentina	207,600	367,433	119,453	230,000
Australia	187,256	155,368	210,160	90,000
Union of South Africa	10,723	17,093	15,310	17,000
Total 3 countries	405,579	539,894	344,923	337,000
Estimated Southern Hemisphere total 2/	470,274	607,801	406,110	400,000
Estimated world total, excluding the U.S.S.R. and China 2/	3,879,231	4,625,492	4,272,332	4,025,000

Compiled from official data.
1/ Data are, in most instances, unofficial forecasts and should be interpreted as preliminary indications only.
2/ Includes estimates for other countries besides those listed.

World wheat acreage for the 1940 harvest 2 percent less than year earlier

Figures on world wheat acreage this season are even more uncertain than the crop estimates. All things considered, the total area for the 1940 crop appears to have been 270 million acres (table 5), as compared with 274 million acres a year earlier and the 10-year (1930-39) average of 275 million acres.

Table 5.- Acreage of wheat in specified countries, 1937-40

Country	1937	1938	1939	1940 1/
Northern Hemisphere	1,000 acres	1,000 acres	1,000 acres	1,000 acres
North America:				
United States, sown	81,072	79,565	63,896	64,388
Canada	25,570	25,930	26,756	28,726
Mexico	1,202	1,240	1,410	1,486
Total (3)	107,844	106,735	92,062	94,600
Europe:				
Europe, excluding Danube Basin and the U.S.S.R. (26)	55,957	54,795	54,114	(73,100)
Danube Basis (4)	20,938	22,145	23,186	( )
Total (30)	76,895	76,940	77,300	73,100
North Africa (4)	11,163	10,235	10,877	
Asia (6)	46,024	49,689	49,391	49,000
Total 43 countries	241,926	243,599	229,630	
Estimated Northern Hemisphere total, excluding the U.S.S.R. and China 2/	249,500	250,600	236,500	
Southern Hemisphere				
Argentina, sown	19,219	20,868	17,833	17,272
Australia	13,735	14,346	13,276	12,569
Union of South Africa	1,751	2,083	2,131	
Total 3 countries	34,705	37,297	33,240	
Estimated Southern Hemisphere total 2/	39,153	41,797	37,965	46,700
Estimated world total, excluding the U.S.S.R. and China 2/	288,700	292,400	274,400	270,300

Compiled from official data. Seeded acreage United States and Argentina; area for harvest in other countries.
1/ Data are, in most instances, unofficial forecasts and should be interpreted as preliminary indications only.
2/ Includes estimates for other countries besides those listed.

Winter wheat acreage in Europe for harvest in 1941 believed being fully maintained

Most sections in Europe are believed to be maintaining or increasing winter wheat acreage, particularly in occupied areas. Work has progressed better than a year ago, although in some countries it has been hampered by a limited distribution of seed and fertilizer. Rains have promoted good germination.

While an increase is expected in western and northern Europe, work has been hampered somewhat by rains. Soil condition, however, is good.

Reports indicate an increase in acreage for the United Kingdom, and also for Spain. In the Danube countries seeding has been active, with rains over wide areas following a dry period. An increase in acreage has been intended but war conditions are exerting a restricting influence. In Greece, the acreage is expected to be affected adversely.

World ~~wheat~~ trade prospects poor; surplus large

As was pointed out in previous issues, a continuation of the European blockade and present governmental policies in surplus-producing countries will greatly restrict world trade in 1940-41. Takings by European countries are not expected to be more than about 250 million bushels, and those by non-European countries perhaps 150 million bushels. Information on actual exports are very limited this year. Such figures as are available are given in table 9.

In contrast with the restricted trade situation, supplies in exporting countries are large. This is especially true in Canada. The August 1 carry-over in Canada was 301 million bushels, which with the crop estimated at 547 million bushels makes a total supply of 848 million bushels. Disappearance in Canada is expected to total 125 to 130 million bushels, which would leave a surplus available for export or carry-over of about 720 million bushels. If Canada were to export as much as 170 million bushels this year, which now appears to be an optimistic figure, around 550 million bushels would still remain for carry-over next August, the largest carry-over any country has ever had. Such a quantity would be sufficient to cover Canada's domestic needs and provide for a continuation of exports at about present levels for the next 2 years without the production of a bushel of wheat during that time.

The Canadian wheat supply on November 1 remaining for export in 1940-41, or for carry-over at the end of the season, is estimated at 700 million bushels (table 6). A year ago the surplus was placed at 448 million bushels.

Table 6.- Estimated wheat surplus for export or carry-over for three exporting countries, November 1, 1937-40 1/

Position	1937	1938	1939	1940
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Canada				
In Canada	84	212	432	663
In the United States	2	4	16	37
Australia	16	19	29	2/ 100
Argentina	8	39	140	3/ 3
Total	110	274	617	803

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production minus domestic utilization for the year, minus monthly exports to date.
2/ Based on official exports through February, and unofficial estimates for succeeding months.
3/ Official surplus reported November 16, 1940 as 10.4 million bushels.

The surplus in Argentina on January 1, the beginning of the new crop year, will be very small. This country is the only one of the four major overseas exporting countries which has greatly reduced its stocks during the year. If the crop turns out to be about 230 million bushels, with Argentine requirements at about 100 million bushels, a surplus available for export or carry-over at the end of the year of 130 million bushels is indicated. With market possibilities restricted, this may be expected to point to the probability of a sizeable carry-over at the end of the season.

The supply remaining for export in Argentina on November 1, 1940, on the basis of January 1, 1940 stocks and production less domestic consumption until the new crop next January less exports through October, is 3 million bushels (table 6). This is less than would be indicated by the official surplus, which was reported as 10.6 million bushels November 16. The surplus in Argentina November 1, 1939 was estimated at 140 million bushels.

The carry-over in Australia on December 1 is expected to be about 90 to 95 million bushels. However, if the new crop turns out to be about 90 million bushels, only about 30 million bushels would be available from it as surplus, making about 125 million bushels available for export or carry-over at the end of the season. This is materially less than the 179 million-bushel surplus a year earlier following the 210 million-bushel crop, and moderately below the 141 million-bushel average for the past 10 years. Export opportunities for Australia will continue restricted because of shipping difficulties as well as limited world markets.

The supply for export or carry-over in Australia on November 1 is placed at about 100 million bushels, compared with 29 million bushels a year earlier. The current figure for Australia is to be considered a broad indication because the last official report covered exports only through February. While there have been good bases for estimates for a part of the subsequent period, estimates in recent months have been based on very fragmentary evidence.

Exports from the Danube countries will be greatly reduced this year because of small crops. A combined outturn of about 300 million bushels is indicated, if allowance is not made for the important surplus-producing region of Bessarabia ceded to the U.S.S.R. by Rumania. This is much below the large harvest of 453 million bushels last year and the average of about 333 million bushels. While wheat supplies in the Danube countries are very small, the corn crop was good, and a substitution of corn for wheat may permit exports of perhaps 20 million bushels. These would come largely from Hungary and Bulgaria. Exports from the four countries averaged 45 million bushels, or about 10 percent of European takings during 1933-37, while in the past 2 years they have been nearly double that amount.

On the basis of probable supplies, the North African countries may have 15 to 20 million bushels available for export. Although supplies in Turkey might permit exports of possibly 25 million bushels, exports are prohibited at present. India harvested a very large wheat crop last spring but shipping conditions have not favored exports.

On the basis of available information, it would seem that the Soviet Union could export a modest quantity of wheat this year if it desired to do so. Whether it will export significant quantities or build up stocks, which may be now somewhat depleted, as usual, is a matter of Government policy. The crop in the Soviet Union is reported better than in either of the past 2 years. Some reports even state that it is not much below the record outturn of 1937. It appears that the crop is very good in the Black Sea surplus region and also in Bessarabia, the region taken over last July.

Prices in Buenos Aires and Winnipeg advance

Prices at Buenos Aires are about 6 cents higher than those of 4 weeks ago (table 7). The price of December futures at Winnipeg during the last 3 weeks in October was at the minimum; then it rose slightly. At 66.2 cents for the week ended November 16, it was slightly above the 65.1 cent minimum.

Table 7.-Average closing price of December wheat futures, specified markets and dates, 1939 and 1940

Period	Winnipeg 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Month:										
Aug.	55.2	67.8	---	---	66.3	74.0	61.2	68.3	69.0	72.1
Sept.	69.2	66.7	---	---	84.4	78.1	79.6	73.0	85.2	77.1
Oct.	64.2	65.2	---	---	84.0	84.3	78.9	78.8	82.7	82.2
Week ended:										
Oct.5	64.8	65.6	2/53.9	2/51.2	81.9	82.2	77.2	76.8	81.6	80.4
12	66.2	65.2	2/52.3	2/50.8	82.7	82.8	78.0	77.2	81.3	80.8
19	66.2	65.1	3/53.2	2/46.3	85.4	85.4	79.7	79.9	83.2	83.2
26	64.9	65.1	3/53.5	2/46.7	85.1	86.4	79.7	80.8	83.7	84.0
Nov.2	63.8	65.1	3/54.5	49.8	86.8	84.1	81.6	78.6	85.6	82.5
9	63.8	65.4	3/54.8	52.5	87.9	86.7	82.7	81.2	85.8	84.8
16	64.3	66.2	3/55.1	52.1	87.6	88.8	81.9	83.5	84.3	86.8
4/ High	66.2	66.2	5/55.1	5/52.5	87.9	88.8	82.7	83.5	85.8	86.8
Low 4/	63.8	65.1	5/52.3	5/46.3	81.9	82.2	77.2	76.8	81.3	80.4

1/ Conversions at noon buying rate of exchange to week ended September 16, 1939, subsequently; Winnipeg figures at official rate which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate.
2/ November futures. 3/ February futures.
4/ October 5 - November 16, 1940 and corresponding dates, 1939.
5/ November - February futures 1939; November - December 1940.

The Argentine Government has reestablished the minimum price for wheat at 6.75 pesos per quintal, which is about 54-5/8 cents per bushel, effective November 21. After December 1, the Government is prepared to buy wheat at these prices. Minimum prices in Argentina were discontinued soon after the outbreak of the European war. At that time they were 7 pesos per quintal, which was about 60 cents per bushel in United States currency. The price to growers' shipping points would average about 10 cents less.

The Canadian Government's minimum price of 70 cents (Canadian currency) basis No. 1 Dark Northern Spring at Fort William, Port Arthus, and Vancouver is expected to result in an average price to producers of about 50 cents Canadian currency, or 45 cents per bushel United States currency.

Government measures in Australia

According to reports, a plan has been adopted in Australia which is designed to stabilize wheat-growing at an annual production of around 140 million bushels, which compares with the recent 5-year average of nearly 160 million bushels. Growers are to be guaranteed 3s. 6d. (58 cents in United States currency), and they must comply with an acreage control program and market their wheat through the Government. Should prices go above the guaranteed minimum, the growers and the Government may both share, the amount which the Government receives going into a fund to defray losses suffered under the guarantee. Provision is made for free rail shipment to the ports. A further provision is reported to be that the Government will require that the individual States accelerate measures for the removing of growers from marginal lands and for diversifying of production wherever possible. Last year the established minimum price was 48 United States cents per bushel for bagged wheat at the port of shipment. All wheat marketed passed into Government control and all export sales were made by a Commonwealth Wheat Pool.

Table 8.-Estimated world wheat supply, years beginning July 1939-40, and distribution, year beginning July 1939

Item	Year beginning July 1: 1939 estimates	Year beginning July 1: 1940 indications	Increase or decrease
	Million bushels	Million bushels	Million bushels
Carry-over July 1 1/	1,205	1,420	+ 215
Production 1/	4,272	4,025	- 247
Total supply	5,477	5,445	- 32
Net imports by the Soviet Union	- 2		
Total of above	5,475		
Disappearance	4,055		
Carry-over June 30	1,420		

1/ Excluding stocks and production in Soviet Russia and China.

Table 9.- Movement of wheat, including flour, from principal exporting countries 1937-38 to 1940-41

Country	Exports as given by official sources: Total 1937-38	Total 1938-39	Total 1939-40	July 1 to date shown 1938-39	July 1 to date shown 1939-40	July 1 to date shown 1940-41	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 1/	107,194	115,784	54,274	29,792	21,880	9,706	Sept. 30
Canada	94,546	159,885	210,212	16,076	27,575	27,272	Aug. 31
Argentina	69,670	116,116	177,561	10,652	27,439	23,918	Aug. 31
Australia	123,453	96,672	---	8,410	6,136	---	July 31
Soviet Union	43,354	2/38,000	---	4,794	---	---	July 31
Hungary	9,368	27,650	---	86	1,978	---	July 31
Yugoslavia	5,012	5,346	9,666	0	110	---	July 31
Rumania	32,220	40,298	34,138	1,237	3,128	---	July 31
Bulgaria	8,489	2,633	---	173	1,042	---	July 31
British India	19,677	10,097	---	3,631	270	---	July 31
Total	512,983	612,481					

Country	Shipments as given by trade sources 3/: Total 1938-39	Total 1939-40	Week ended - 1940: Nov. 2	Nov. 9	Nov. 16	July 1-Nov. 16: 1939-40	1940-41
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America	245,296	209,872	2,731	4,219	4,184	71,632	61,638
Argentina	114,272	173,776	1,538	2,306	1,065	65,608	43,495
Australia	102,116		---	---	---	4/11,028	---
Soviet Union	39,824		0	0	0	2,000	0
Danube and Bulgaria 5/	52,848	39,616	0	0	0	13,320	560
British India	6/10,097	6/	0	0	0	0	0
Total above	564,453					163,588	105,693
" European shipments 4/	450,784						
Total ex-European shipments 4/	146,760						

1/ Includes flour milled in bond from foreign wheat.
2/ From official sources, through December, supplemented by unofficial estimates.
3/ From Broomhall's Corn Trade News and Chicago Daily Trade Bulletin.
4/ Through September 2 only; not available by weeks subsequently.
5/ Black Sea shipments only.
6/ Official 1938-39 not available.

Table 10.-Percentage monthly sales of wheat and rye by farmers, United States, average 1928-37 and annually 1928-39

63.2%   17.1   19.7

Season beginning June	Percentage of total sales during												
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wheat													
Average 1928-29 to 1937-38	6.1	25.3	19.1	12.7	7.8	4.8	4.5	3.7	3.8	3.3	3.2	3.4	2.3
1928	1.4	18.8	18.4	17.3	12.0	7.2	5.4	4.2	4.2	3.5	2.8	2.7	2.1
1929	5.2	25.6	22.2	14.0	8.6	4.8	4.5	3.1	2.9	2.5	2.4	2.6	1.6
1930	4.4	26.0	20.2	11.9	6.9	4.4	4.7	4.7	4.8	3.5	3.2	4.0	1.3
1931	6.2	26.9	18.5	10.0	7.9	4.6	4.5	3.9	5.5	3.4	3.4	3.8	1.4
1932	4.9	18.5	19.3	14.0	7.9	5.5	4.8	3.6	3.5	3.5	4.4	5.4	4.7
1933	9.3	21.8	19.8	13.3	7.0	5.0	3.7	3.7	3.4	3.5	2.7	3.1	3.6
1934	11.9	30.4	15.3	9.4	5.2	4.2	4.4	2.9	3.5	2.9	4.4	3.5	2.0
1935	2.5	19.2	25.8	17.7	9.7	4.5	3.8	3.7	2.5	3.4	2.6	2.2	2.4
1936	5.8	35.4	15.8	8.7	6.8	4.3	5.6	3.1	3.4	3.8	2.7	2.9	1.7
1937	9.1	30.2	16.3	10.4	6.0	3.8	4.0	3.8	3.9	3.3	3.9	3.3	2.0
1938	5.7	25.0	17.3	11.6	7.7	4.7	4.7	3.6	3.2	3.7	3.9	5.2	3.7
1939	7.4	22.6	13.5	9.2	5.7	4.1	5.3	3.5	6.7	7.9	10.5	2.5	1.1
Rye													
Average 1928-29 to 1937-38	0.1	13.9	24.5	18.1	11.2	6.9	5.3	4.0	3.6	3.8	3.0	3.3	3.2
1928	0.0	3.7	18.2	28.7	17.7	10.2	6.0	4.2	3.3	2.9	1.9	1.6	1.6
1929	0.0	10.6	32.6	20.4	12.6	7.4	5.6	3.2	2.0	1.6	1.4	1.4	1.2
1930	0.0	12.3	32.3	22.3	11.5	4.8	4.3	2.6	2.7	1.9	1.9	1.8	1.6
1931	0.1	11.7	21.5	15.1	10.7	8.4	6.5	5.9	5.4	5.2	3.8	3.2	2.5
1932	0.1	7.7	17.8	13.4	8.9	6.4	4.9	4.6	3.6	4.7	6.3	8.9	12.7
1933	0.1	21.1	23.3	14.6	9.8	7.1	4.6	3.9	3.7	3.9	2.7	2.6	2.6
1934	0.2	22.0	27.5	16.9	8.8	5.1	4.2	2.7	2.4	2.8	2.4	2.7	2.3
1935	0.1	5.9	19.4	18.4	13.5	7.6	5.5	4.8	4.3	6.9	4.5	5.0	4.1
1936	0.2	18.8	20.0	14.3	10.9	6.5	7.4	4.1	4.7	4.5	3.9	3.6	2.0
1937	0.1	16.6	32.7	16.9	8.8	5.2	4.2	3.5	3.6	3.1	1.7	1.9	1.7
1938	0.1	13.3	32.6	15.0	9.3	4.9	4.0	3.4	2.3	3.3	2.9	4.0	4.9
1939	0.6	15.3	20.6	13.7	10.5	6.7	8.3	5.3	4.8	5.4	5.0	2.5	1.3

59.6   52.7   15.1   17.1   23.3   32.2

Table 11.-Rye: Production in specified countries, 1937-40

Country	1937	1938	1939	1940 1/
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
United States	49,830	55,564	39,249	37,452
Canada	5,771	10,988	15,307	14,294
Total (2)	55,601	66,552	54,556	51,746
Europe:				
Bulgaria	9,387	7,397	9,674	6,500
Denmark	9,448	9,650	9,842	11,165
Estonia	8,327	7,403	8,042	
Finland	16,982	14,507	13,031	10,590
Germany	272,296	2/381,874	3/372,221	
Austria	18,767	23,270	---	
Greece	2,569	2,439	2,457	2,278
Hungary	24,325	31,677	4/ 34,004	30,234
Italy	5,701	5,428	5,692	4,700
Latvia	16,592	14,908	16,916	
Lithuania	23,894	24,555	25,951	
Luxemburg	392	507	490	
Netherlands	19,200	21,694	23,760	
Norway	443	433	408	236
Poland	221,949	285,556	4/300,382	
Rumania	17,768	20,362	16,987	12,558
Spain	5/ 19,700	5/ 16,900	17,212	27,558
Sweden	16,250	15,933	14,893	11,653
Switzerland	1,339	1,447	1,287	
Yugoslavia	8,243	8,941	9,587	8,957
Total (19)	713,572	894,881	882,836	
Algeria	37	44	44	
Total (22)	769,210	961,477	937,436	

1/ Data are, in most instances, unofficial forecasts and should be interpreted as preliminary indications only. 2/ Includes estimate for the Sudetenland. 3/ Includes Austria and the Sudetenland. 4/ New boundaries and, therefore, not strictly comparable with previous years. 5/ Estimated.

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

1/ Selected tables used most frequently.

STATISTICS ON THE RYE SITUATION IN "THE WHEAT SITUATION" FEB. AND AUG., 1940