

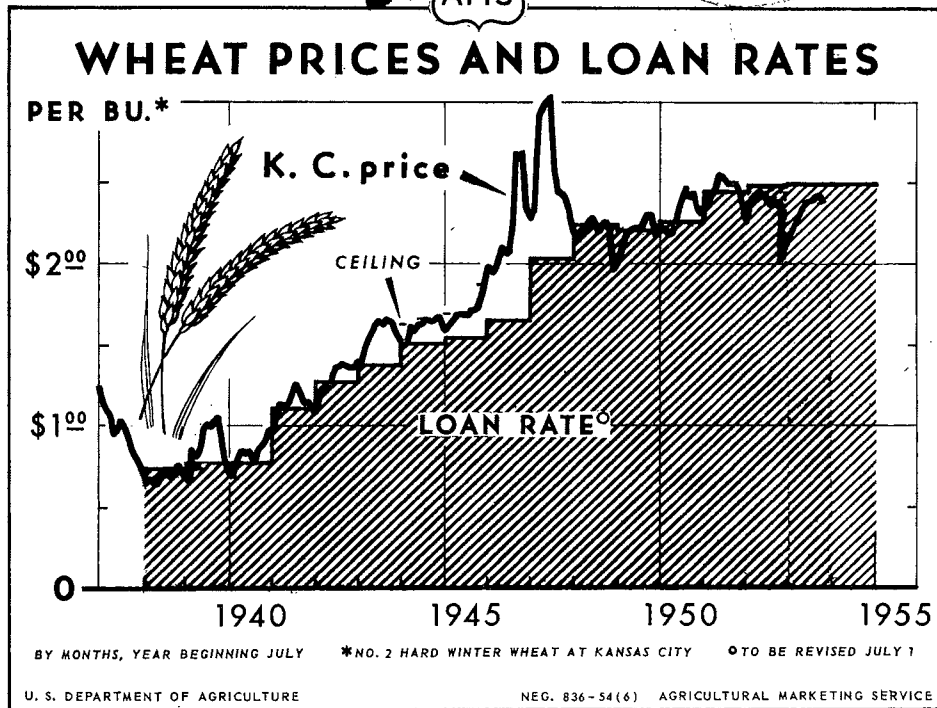
# The WHEAT SITUATION

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In this issue:  
Information on wheat allotments and  
marketing quotas

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In 14 of the last 15 marketing years, the monthly average cash hard winter wheat price was lowest of the year in June, July, or August. In 9 of the last 15 years, the price averaged highest in March or later. In other years, except in 1952, when the price averaged highest in November, the high occurred in December-February. Prices exceed-

ed the loan at some time during the season in every year except 1952-53 and 1953-54. Except for 1946-47 and 1947-48, when demand for wheat was exceptionally strong, prices averaged around the "effective" loan level for the season-- the announced rate less an allowance for storage, which was assumed by growers beginning in 1951.

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE

Table 1.- Wheat: Loan rate, actual price to growers, supply and distribution factors, quantity pledged and delivered to CCC, stocks owned by CCC and loans outstanding, 1938-54

Year beginning July	Gross loan rate	Average actual price to growers 1/	Price above loan	Supply and distribution factors				Under price support
				Total domestic supply 2/	Domestic disappearance 3/	Net exports 4/	Year-end carryover	
				Million bushels	Million bushels	Million bushels	Million bushels	
1938	0.59	0.56	0.08	1,073	713	110	250	85.7
1939	.61	.69	.08	991	662	49	280	167.7
1940	.64	.67	.03	1,094	675	34	385	278.5
1941	.98	.94	-.04	1,327	667	29	631	366.3
1942	1.14	1.09	-.05	1,600	945	32	619	408.1
1943	1.23	1.35	.12	1,463	1,237	5/-91	317	130.2
1944	1.35	1.41	.06	1,377	992	106	279	180.4
1945	1.38	1.49	.11	1,387	894	393	100	59.7
1946	1.49	1.90	.41	1,252	766	402	84	22.0
1947	1.83	2.29	.46	1,443	757	490	196	31.2
1948	2.00	1.98	-.02	1,491	678	506	307	6/366.0
1949	1.95	1.88	-.07	1,406	680	301	425	7/380.8
1950	1.99	2.00	.01	1,444	690	358	396	8/196.9
1951	2.18	2.11	9/-07	1,377	673	448	256	10/212.9
1952	2.20	2.10	9/-10	1,555	692	300	563	11/460.3
1953 <u>12/</u>	2.21	2.04	9/-17	1,731		215	900	13/554.3
1954 <u>12/</u>				1,900				

	Delivery to CCC 14/	CCC stocks and loans outstanding at year-end (June 30)				Total
		Stocks owned by CCC 15/	Under loan			
			Crop previous July 16/	Crops of earlier years		
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	
1938	15.7	6.0	21.5	---	27.5	
1939	7.7	1.6	10.3	---	11.9	
1940	173.7	169.2	31.4	7.2	207.8	
1941	269.8	319.7	98.1	1.4	419.2	
1942	184.0	259.8	133.3	4.9	398.0	
1943	0.3	99.1	15.5	2.5	117.1	
1944	72.9	103.7	20.1	1.9	125.7	
1945	.2	---	32.5	---	32.5	
1946	---	---	0.7	---	0.7	
1947	---	---	.8	---	.8	
1948	290.9	227.2	16.3	---	243.5	
1949	247.4	327.7	28.5	5.0	361.2	
1950	41.9	196.4	8.9	2.3	207.6	
1951	91.3	143.3	11.6	---	154.9	
1952	387.4	470.0	16/22.5	---	492.5	
1953						
1954						

1/ United States marketing year prices are the result of (1) weighting State monthly prices by monthly sales to obtain State marketing-year averages, and (2) weighting the State marketing-year averages by total sales for each State. Includes an allowance for unredeemed loans at average loan values beginning 1938. 2/ Beginning carryover plus production. 3/ Total supply minus net exports minus year-end carryover. 4/ Includes shipments to United States Territories of about 4 million bushels annually. 5/ Exports totaled 45 million bushels and imports used to supplement domestic animal feed supplies totaled 136 million bushels. 6/ Includes 112.0 million bushels of 1948-crop wheat put under purchase agreements. 7/ Includes 45.5 million bushels of 1949-crop wheat put under purchase agreements. 8/ Includes 8.6 million bushels of 1950-crop wheat put under purchase agreements. 9/ Growers assumed storage charges which averaged 7 to 10 cents per bushel, depending on the time it was put under loan. 10/ Includes 13.4 million bushels of 1951-crop wheat put under purchase agreements. 11/ Includes 61.3 million bushels of 1952-crop wheat put under purchase agreements. 12/ Preliminary. 13/ Includes 63.2 million bushels of 1953-crop wheat put under purchase agreements. 14/ Include deliveries of purchase-agreement wheat to CCC. 15/ Includes open-market purchases, if any, beginning in 1943, and accordingly may include some new-crop wheat. 16/ For example, 22.5 million is 1952-crop wheat under loan on June 30, 1953. None was under loan from earlier crops. However, 21.9 million (not shown in table) of new 1953-crop wheat was already under loan.

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THE WHEAT SITUATION  
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Approved by the Outlook and Situation Board, June 23, 1954

## SUMMARY

The United States 1954 wheat crop, now estimated at 1 billion bushels, is in excess of prospective domestic use and probable exports during the next twelve months. Unless exports are increased substantially there will be a further increase in carryover stocks by July 1, 1955. However, the increase in the carryover will be materially smaller than in each of the last two years.

Domestic disappearance in the year beginning July 1, 1954 is estimated at about 660 million bushels--about the same as in the marketing year now ending. The level of United States exports will depend upon many things--including the size and distribution of the 1954 crop produced in countries outside the United States. If exports from the United States are about the same as in the current year--about 215 million bushels--the crop as now estimated would exceed domestic disappearance and exports by about 125 million bushels. This would indicate a July 1, 1955 carryover of around 1 billion bushels--an all-time high record.

Cash wheat prices, in general, have declined sharply since early May. The price of No. 2 Hard winter at Kansas City declined from \$2.45 on May 5 to \$2.02 on June 21. Cash prices, especially of winter wheat, usually start a decline sometime in May (in a seasonal downward adjustment to new crop conditions), and usually reach a low for the season in June, July, or August. The 1953-54 marketing year and the year previous were the only two years since the support programs were started in 1938 that prices for all classes and grades of wheat did not average above loan rates at some time during the season. High-protein spring wheat and durum were the only classes for which market prices in 1953-54 were above loan levels. Large supplies of soft red winter wheat--for which the market is limited--and prospects of record supplies of all wheat were important factors in the price situation in both of the last two years.

Exports of wheat, including flour and other products in terms of wheat, July 1953 through May 1954, are estimated at 196 million bushels. Continued at this rate, exports for 1953-54 will total about 215 million bushels, which compares with 317 million bushels in 1952-53.

Total world exports of wheat and flour have been on a considerably lower level this season than in 1952-53. The aggregate shipments from the principal exporting countries--United States, Canada, Australia, and Argentina--during the first 11 months, July 1953 through May 1954, totaled 618 million bushels compared with 745 million during the comparable period a year earlier. A large part of this reduction was in exports from the United States.

The aggregate supplies in these four principal exporting countries on June 1 for export and carryover are estimated at about 1,735 million bushels. This is about 3 percent above the previous record in 1943, and about 37 percent above the 1,270 million bushels on June 1, 1953. Supplies are a record in the United States, a near-record in Canada, and are substantial in the other two countries.

Present prospects for the world 1954 wheat crop indicate that production will probably be somewhat smaller than the near-record outturn of 7.15 billion bushels in 1953. Production prospects in both exporting and importing countries are generally less favorable than at this time last year.

Preliminary steps in the administration of the 1955 wheat program and also cross-compliance provisions to influence the use of land diverted by wheat and other acreage allotments, were announced by the Secretary of Agriculture on June 21. The Secretary:

1. Proclaimed a national marketing quota for the 1955 wheat crop, in accordance with legislative provisions.
2. Announced a national wheat acreage allotment of 55 million acres for 1955--the level specified in the controlling legislation under conditions of excessive supply.
3. Set July 23 as the date for a national referendum among wheat growers on acceptance of the proposed marketing quota.
4. Announced that in 1955 wheat growers and others would have to comply with all acreage allotments established for a farm, and that bigger producers--with larger totals of diverted acres--would also have to comply with a "total acreage allotment," in order to be eligible for price support on any crop produced on the farm.

Present law provides that starting in 1955 the loan rate for wheat (barring national emergencies) shall be not less than 75 nor more than 90 percent of parity, with the minimum depending upon the supply situation. Large supplies indicate that the minimum level of support would be at 75 percent of parity. However, this represents the minimum, and the loan may be set at the discretion of the Secretary within the limits prescribed in the Agricultural Act of 1949. Under present legislation the old or unrevised parity will still apply in 1955, the change to the new or "modernized" parity formula being scheduled for 1956.

#### THE DOMESTIC WHEAT SITUATION

##### Prospective Supplies Again Set New Record

The total wheat supply for 1954-55, now estimated at 1.9 billion bushels, establishes a new high record, and exceeds the previous record in 1953-54 of 1,735 million bushels by about 10 percent. The supply this year consists of an indicated July 1, 1954 carryover of about 900 million bushels <sup>1/</sup>, a crop (June 1 basis) of 1,000 million bushels, and probable imports (largely of feeding quality) of <sup>1/4</sup> million bushels.

<sup>1/</sup> Indicated on the basis of April 1 stocks and estimated April-June disappearance.

Domestic disappearance for 1954-55 is estimated at about 660 million bushels--about the same as in the current year. Civilian and military food use (including use by Territories of the United States) is expected to be about 495 million bushels--slightly above that in 1953-54. Feed use may be about 100 million bushels--about the average of the last 5 years. About 65 million bushels may be used for seeding the 1955 crop compared with about 70 million bushels for the 1954 crop.

A domestic disappearance of 660 million bushels would leave about 1,240 million bushels for export and carryover. The level of United States exports in 1954-55 will depend upon many factors, including the size and distribution of the 1954 crop produced in countries other than the United States. If exports total about 215 million bushels--about the same as in the current year--about 1 billion bushels would be left for carryover on July 1, 1955. A carryover of this size would compare with the indicated July 1, 1954 record carryover of about 900 million bushels, and with the previous record of 631 million bushels on July 1, 1942.

Wheat Production 14 Percent Below 1953;  
Acreage Down About 20 Percent

The prospective 1954 wheat crop of 1,000 million bushels, based on conditions as of June 1, consists of the following, in million bushels (1953 figures in parentheses): Winter wheat 740 (878), durum 19 (13), and other spring wheat 241 (278). Total wheat production would be 14 percent smaller than the 1953 crop of 1,169 million bushels, 26 percent smaller than the record crop of 1,359 million bushels in 1947, and 11 percent below the 1943-52 average of 1,122 million bushels.

A winter wheat crop of 740 million bushels would be about 16 percent smaller than the 878 million bushels produced in 1953, and 11 percent smaller than the 1943-52 average of 833 million. The June indication was 33 million bushels above that of a month earlier. May weather was beneficial for winter wheat in practically all States in the eastern half of the country, and especially favorable in the major wheat States of the southern Great Plains. Crop prospects also improved during May in Nebraska; but in Washington and Oregon, lack of moisture and some unseasonably cold weather lowered production prospects. The yield per harvested acre for the United States was estimated at 19.6 bushels, which would be the second highest of record. This compares with 18.8 bushels last year and the 1943-52 average of 17.7 bushels. Winter wheat acreage for harvest was down 19 percent compared with a year earlier, in response to acreage allotments and marketing quotas.

A spring wheat crop (including durum) of nearly 260 million bushels was forecast, based on condition as of June 1. This is 11 percent less than last year's crop and 10 percent below the 10-year average. Indicated above-average yields reflected beneficial rains the last 10 days of May. Intended plantings of 16.7 million acres (based on March intentions) compare with 21.9 million acres a year ago (down 24 percent), and with the 10-year average of 20.0 million acres.

The durum wheat crop was forecast at 19 million bushels, compared with 13 million bushels produced last year, and with the average of 35½ million bushels. In March, farmers reported their intentions to seed a much smaller acreage of durum wheat than in 1953, when yields were low because of rust and dry weather. To date, little information has become available that would indicate any significant shift from March intentions. A crop of 19 million bushels is better than the 13 million bushels produced last year but still less than the average quantity milled in the last 5 years. Durum is used in the manufacture of macaroni, noodles, and related products.

Production of spring wheat other than durum was forecast at 241 million bushels, 37 million bushels less than last year, and 12 million bushels below average.

Carryover July 1, 1954 May Total About  
900 Million Bushels

On the basis of April 1 stocks and estimated domestic disappearance and exports in April-June, the July 1, 1954 carryover is expected to be about 900 million bushels. The official estimate of stocks of old crop wheat in all positions on July 1 will be released July 23. It is expected that almost all of the carryover will be in CCC loan or owned stocks.

Total supply of wheat on April 1 was 1,128 million bushels (table 4). Domestic disappearance in the April-June quarter is expected to total about 165 million bushels, as compared with 218 million in the same quarter last year, and with 158 million in 1952. Exports for the quarter this year may total about 65 million bushels, compared with 64 million in 1953, and 112 million in 1952.

Exports in 1953-54 Estimated at  
215 Million Bushels; About One-third  
of this Moving Under Aid Programs

Exports of wheat, flour and other products in terms of wheat, July 1953 through May 1954, are estimated at 196 million bushels. Continued at this rate, exports for 1953-54 will total about 215 million bushels. In 1952-53 our exports were 317 million bushels, but only 25 million bushels of this were financed through aid programs. This year, 1953-54, about one-third is moving under various foreign aid programs, including Section 550, the Pakistan Wheat Loan, the so-called Famine Relief Bill (P.L. 216), the Defense Base program in Spain, and other programs.

Exports of wheat including flour, sold under the International Wheat Agreement, June 2, 1953 to June 15, 1954 totaled only 104 million bushels. This is only about one-half of the United States quota of 210 million bushels. A part of this represented exports under the various foreign aid programs. In June both the United States and Canada acted to reduce prices of wheat in an effort to increase the movement of exports. The United States price has now dropped 30 cents below the maximum but the price to importing countries is still 20 cents above the minimum.

Minimum Loan Rates Announced for  
Terminals; Rates Will be Increased  
Depending on the June Parity

The minimum 1954-crop wheat price support rates for terminals and for about 3,000 wheat-producing counties of the United States were announced by the Department of Agriculture on May 11. The county rates, which range from \$1.64 to \$2.48 per bushel, depending on location, are further adjusted up or down for grade and quality to determine support prices for individual lots.

The rates announced are minimums based on the minimum national average support price of \$2.20 per bushel announced October 8, 1953. The minimum support price was established in accordance with the forward pricing provisions of the Agricultural Act of 1949. If the parity price of July 1, 1954, which is based on the June 15 level available in late June, is higher than the \$2.45 parity price of August 1953, (which was used to determine the 90-percent-of-parity minimum support price) the minimum rates will be increased. Parity price of wheat on May 15, 1954 was \$2.50. If parity on June 15 is unchanged, the national average support price would be raised from the minimum of \$2.20 to \$2.25, and terminal and county rates would be increased by 5 cents. The national average support price for 1953-crop wheat was \$2.21 per bushel.

In addition to the release of terminal and county rates, the USDA announced a revised list of premiums and discounts for different classes and qualities of wheat, and modifications in Pacific Coast terminal price relationships. Basic county and terminal rates are for Grade No. 1 wheat of the hard classes (Hard Red Spring, Hard Red Winter, etc). Premiums and discounts are used to determine the support price for individual lots of wheat which are of other classes, other grades, or have other quality factors. Under this year's program, these discounts and premiums have been broadened as compared with prior years to reflect more adequately actual market price differences in recent years.

Premiums for classes of wheat have been included this year for Hard Amber Durum, Amber Durum, and No. 1 Heavy Hard Red Spring. These premiums amount to 10 cents, 4 cents, and 1 cent per bushel, respectively. Also, protein premiums have been increased for the higher protein content Hard Red Spring Wheat.

In maintaining a closer relationship with actual market prices of all classes of wheat, discounts under the basic rate have been established for the soft classes (Soft Red Winter, Soft White, etc.). The discounts are 2 cents per bushel for soft wheat stored west of the Rocky Mountains and 4 cents per bushel for soft wheat stored east of the Rocky Mountains. Other discounts for garlicky, smutty, or lower grades of wheat remain the same as in previous programs.

The change in the Pacific Coast terminal rate relationships will result in reducing the Pacific Northwest rates 1 cent per bushel and in increasing the California rates by 3 cents. The modification will bring the Pacific Coast terminal rates into a more realistic competitive position with each other.

Location differentials used in the rates are generally in line with those used in prior years. The relationships between terminals generally reflect current differences in market prices, and the county rates are based essentially on the freight to terminal markets. Because port prices are generally the highest, the location differentials get progressively larger the higher the freight rate to a port.

There are wide differences in the grades and classes of wheat most commonly produced and marketed in the wheat areas of the U. S. In some areas, most of the wheat will be No. 1 grade of hard wheat. In other areas only soft wheat is produced and for the most part is grade No. 2 or No. 3. Thus the following examples of 1954 wheat support prices are more representative of the actual support farmers will receive than are the basic county and terminal rates, which are all for Grade No. 1 hard wheat. Premiums and discounts in addition to geographical price differences are applied to the basic rate to obtain the support price for individual lots of wheat. Minimum support rates for representative classes, basis in store at various terminals, with the 1953 rate in parentheses, are as follows: No. 1 Dark Northern Spring at Minneapolis, ordinary protein \$2.53 (\$2.52), 15 percent protein \$2.58 (\$2.56); No. 2 Hard Red Winter at Kansas City \$2.49 (\$2.49), at Chicago \$2.53 (\$2.53); No. 3 Soft Red Winter at Kansas City \$2.43 (\$2.47), Chicago and St. Louis \$2.47 (\$2.51); No. 1 Hard White at Portland \$2.44 (\$2.45); No. 1 Soft White at Portland \$2.42 (\$2.45); and No. 1 Hard Amber Durum \$2.63 (\$2.53) per bushel at Minneapolis.

The 1954-crop wheat will be supported, as in the past, through loans on farm and warehouse-stored wheat and through the purchase of wheat delivered by producers under purchase agreements. Loans and purchase agreements will be available from harvest time through January 31, 1955. The maturity date for loans in 34 States will be March 31, 1955. In the other 14 States of Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Alabama, Mississippi, and Florida, loans will mature on February 28, 1955. Producers who elect to deliver wheat under purchase agreements must notify their county ASC committees within a thirty-day period ending on the loan maturity date for the State.

To get wheat price support in 1954, a producer must (1) be in compliance with his 1954 wheat acreage allotment, and (2) obtain a marketing card before his wheat can be marketed.

#### Wheat Prices Adjusting Downward to New Crop Conditions

Cash wheat prices, in general, have declined sharply since early May. Prices of No. 2 Hard Winter, ordinary protein, at Kansas City declined from \$2.45, the high for the season, on May 5 to \$2.02 on June 21. The decline from May 5 to June 17 for No. 2 Soft Red Winter Wheat at St. Louis was 29 cents, and at Minneapolis, from May 5 to June 16, for No. 1 Dark Northern Spring was 15 cents. Prices at Portland were the exception; No. 1 Soft White was unchanged up through June 22 compared with May 5. Prices, especially of winter wheat, usually start a decline sometime in May, in a seasonal downward adjustment to new crop conditions, and reach a low for the season in



June, July, or August. Since the low price points to date this year were reached, there has been some recovery. On June 23, the price of No. 2 Hard Winter at Kansas City was \$2.09 $\frac{1}{2}$ , 7 $\frac{1}{2}$  cents above the low on June 21. By June 23 prices at St. Louis and Minneapolis had advanced 4 cents from their low points.

If the loan rate for No. 2 Hard Winter, ordinary protein, at Kansas City for the 1954-crop wheat is \$2.54 (page 7), the price on June 23 was 44 cents under the loan. On June 15, 1953 the Kansas City price declined to 53 cents under the 1953 loan rate, the farthest the price of this grade has ever fallen below the loan. The previous low point was in 1949, when the price fell on July 2 to 35 cents below the loan. This would be comparable to about 48 cents if allowance is made for storage charges from the early seasonal date of about 13 cents, which was assumed by farmers in 1953.

While the price of No. 2 Hard Winter Wheat at Kansas City on June 23, 1954 was 44 cents under a loan level of \$2.54, the price of No. 2 Soft Red Winter at \$1.93 at St. Louis was 65 cents under a level of \$2.58 at that market. However, the price at Minneapolis at \$2.26 for No. 1 Dark Northern Spring, ordinary protein, was only 32 cents below a loan level of \$2.58, and at Portland, at \$2.50 for No. 1 Soft White, it was only 18 cents below the minimum announced loan plus 5 cents. Because of the later harvests in the latter two markets, the seasonal decline in prices occurs later than at Kansas City.

Even though a large portion of the 1953-54 wheat supply was under loan or owned by CCC this spring, prices failed to increase before the time of the adjustment to new crop conditions so as to substantially increase redemptions. Moreover, the 1953-54 marketing year and the year previous were the only years since the support programs were started in 1938 that prices did not average above loan rates some time during the season. High-protein spring wheat and durum were the only classes of wheat for which market prices in 1953-54 were above loan levels. Large supplies of soft red winter wheat for which the market is limited, and prospects of record supplies of all wheat were important factors in the price situation in the last two years.

Prices to growers <sup>2/</sup> in the 1953-54 marketing year which ends June 30 averaged about \$2.04, or 17 cents below the announced loan rate, and about 7 to 8 cents under the effective loan rate (the announced rate minus a deduction for warehouse storage).

On May 28, 1954, the U. S. Department of Agriculture announced that limited price support recourse loans will be made for a temporary period to wheat farmers where regular storage facilities are not available, and where it is feasible to store wheat on the ground or in temporary structures during the summer. These will be similar to the emergency loans offered a year ago. The distress loans will be available on a nationwide basis, but will be limited to counties or areas designated by the respective State Agricultural Stabilization and Conservation Committees. The loans will run for a 90-day period, during which time farmers will be expected to provide adequate on-farm storage facilities or to obtain approved commercial storage. They will

<sup>2/</sup> Includes an allowance for unredeemed loans at average loan values.

then be able to take out a regular price support loan at 90 percent of parity, replacing the temporary distress loan under which they have held the wheat during the emergency period.

Considerable storage space has been constructed as a result of special steps taken by the Government, such as low interest rates to farmers, a special "use guarantee" program, and special tax amortization features. In addition, the CCC has purchased additional bins for use where facilities were not available. When purchase of bin capacity of 100 million bushels recently announced is completed, the total of the CCC-owned bins will be about 839 million bushels. An intensive campaign has been conducted to encourage the construction of farm storage.

CCC Wheat Sales Plans for 1954 Crop  
Similar to Those Now in Effect

The 1954-55 marketing year plans for the sale of CCC-owned wheat acquired under price support were announced on May 27. These, in general, are the same as operations now being carried out for the sale of CCC-owned wheat for milling and other domestic food use and for export; and for the sale of low grade wheat for use for feed in the United States.

All wheat sold for domestic milling and food purposes will be priced at not less than statutory minimum prices, with no price reduction for stocks of old crop milling wheat. Sales of CCC-owned wheat for export will be at the domestic market price less a subsidy or export allowance. Some low grade and low quality wheat will be sold at highest bids for domestic use as feed only.

In continuing the present policy of pricing CCC-owned wheat sold for domestic milling and other food uses, the USDA will set prices at not less than 105 percent of the current wheat support prices plus reasonable handling charges, as provided by law. All milling quality wheat, regardless of crop year, will continue to be offered for domestic use at the market price, but not less than these minimum prices. The USDA does not contemplate a sales program on old crop wheat for domestic commercial use similar to that now in effect for 1948 and 1949 crop corn.

Export sales of CCC-owned wheat (including flour)--so long as they are continued--will be at prices which are determined on the basis of the domestic market, less the export allowance in effect as of the date of sale. The export allowance is in the same amount as the International Wheat Agreement subsidy, and is announced each market day for the day following. Sales under this program (which was begun in December 1953) through June 11 totaled about 48 million bushels.

In addition, limited quantities of off-grade CCC wheat not suitable for storage or for milling will be sold domestically for feed purposes only. Sales will be on the open market at the best price obtainable with certificates required to prevent the use of wheat for other than feed. This operation will be similar to those now in effect for low-quality soft red winter wheat and "garlicky" winter wheat. All price support deliveries of soft red winter wheat, grading below No. 3, from the southeastern States

are being sold for feed purposes at this time. "Garlicky" wheat of all grades in the South and East is being sold for feed; milling quality "garlicky" wheat also is being offered for sale for export.

Light-weight wheat below grade No. 3 now being taken over in the Minneapolis area under the 1953 special price support program for this wheat will be disposed of for domestic feed and for export. All grades below No. 5 will be sold for domestic feed use and No. 4 and No. 5 grades will be made available for export.

In following these general plans for wheat sales, USDA operations will be carried out in such a way as to minimize any possible effect on foreign and domestic markets, and at the same time reduce the large CCC stocks of wheat.

Marketing Quota Proclaimed; Acreage  
Allotment and Cross-compliance  
Announced for 1955 Crop

Preliminary steps in the administration of the 1955 wheat program and also cross-compliance provisions to influence the use of land diverted by wheat and other acreage allotments, were announced by the Secretary of Agriculture on June 21. The Secretary:

1. Proclaimed a national marketing quota for the 1955 wheat crop, in accordance with legislative provisions.
2. Announced a national wheat acreage allotment of 55 million acres for 1955--the level specified in the controlling legislation under conditions of excessive supply.
3. Set July 23 as the date for a national referendum among wheat growers on acceptance of the proposed marketing quota.
4. Announced that in 1955 wheat growers and others would have to comply with all acreage allotments established for a farm, and that bigger producers--with larger totals of diverted acres--would also have to comply with a "total acreage allotment," in order to be eligible for price support on any crop produced on the farm.

**Marketing Quota.** Two thirds of the eligible wheat producers who vote in the July 23 referendum must approve marketing quotas before they can be put into effect. If they are approved, producers who stay within the wheat acreage allotted for their farms--and also comply with any other established allotments--will be eligible for the full price support which is in effect. Farmers who are not within their allotments are not eligible for price support and are subject to the marketing quota penalties on excess wheat.

If quotas are not approved by wheat growers in the July 23 referendum, the law provides for a wheat price support level at 50 percent of parity for farmers who stay within their allotments. In the referendum last summer for the 1954 crop, producers approved marketing quotas by a vote of 390,221 to 57,536.

Acreage Allotment. - The controlling legislation includes a formula for determining the size of the national acreage allotment each year. As supplies go up beyond certain levels, the size of the acreage allotment comes down. However, the legislation includes a 55-million acre "floor" below which the national acreage allotment cannot fall. Present supplies are so excessive that the national allotment would be only about 19 million acres if it were not for the minimum provision.

In connection with acreage allotment administration, Secretary Benson also announced that farmers who seed between 90 and 100 percent of their 1955 farm wheat acreage allotments will not be penalized for such underseeding in the establishment of any future wheat allotments. This same provision was included in the 1954 wheat allotment program. Past acreage history is one of the major factors in distributing acreage allotments to farms. The provision which is being continued for another year will make it unnecessary for a producer to plant "right up to his allotment" in order to protect his acreage history. If he does not underseed by more than 10 percent, the farm will be considered as having the full allotment planted in 1955 for purposes of future allotment determination.

Diverted Acre Program. - In an effort to prevent the "shifting of surpluses," a producer will be required to comply with all acreage allotments established for his farm in 1955 in order to be eligible for price support on any crop produced on the farm that year.

In addition to the cross-compliance among allotment crops, there will be a further requirement for farms where acreage allotments will call for diversion of more than 10 acres from the production of allotment crops in 1955. In these cases, a "total acreage allotment" will be established for the farm. The total acreage allotment will include all crop acreage allotments established for the farm and the 1953 acreages (or adjusted acreages) of all other crops on the farm except hay, cover crops, green manure crops, pasture, idle cropland, and summer fallow.

Producers must keep within the total acreage allotment, when one is established for their farms, in order to be eligible for price support on any crop. This requirement, of course, does not apply on the smaller farms where not more than 10 acres are to be diverted from allotment crops.

The cross-compliance and total-acreage compliance requirements are aimed directly at the problem of controlling or influencing the use of acres taken out of allotment crops under production adjustment programs. Past experience has shown conclusively that, without some provisions to guide the use of acres which are diverted under acreage allotment programs, these acres are likely to be planted to other crops which need--or would soon need--adjustments themselves.

The compliance program will lessen the impact of acreage shifts on nonbasic crops, many of which do not have price support. It will encourage an increase in soil-conserving types of crops, especially on those larger farms for which total acreage allotments are established. It will mean a minimum of restrictive controls on the smaller, family-size farms. Compliance provisions are being announced early in the year in order to permit full understanding among producers well before planting time for fall-seeded crops, and before additional referenda are held on marketing quota and allotment programs.

INFORMATION ON WHEAT ALLOTMENTS AND MARKETING QUOTAS

Many questions are being asked about the manner in which allotments and quotas are put into effect. In the following statement many of these questions are answered.

A. Acreage Allotment For Wheat:

1. The Secretary of Agriculture "proclaims" the national acreage allotment for the next crop of wheat not later than July 15, each year, under the provisions of existing law.

2. The national wheat acreage allotment is that acreage which will produce a crop which, together with the carryover and imports, will make available a supply equal to a normal year's domestic consumption and exports plus 30 percent of such consumption and exports (page 14, item 11). The national acreage allotment, however, cannot be less than 55 million acres under existing legislation (page 14, item 12). 3/ Special legislation provided a minimum of 62 million acres for the 1954 crop only. 4/ This was to prevent the full adjustment from high levels in a single year.

3/ Acreage allotments for wheat have been in effect seven times since 1938, as follows:

Crop	<i>Seedings</i>	Acres
1938	79.0	62,000,000 ✓
1939	62.8	55,000,000 ✓
1940	61.8	62,000,000 ✓
1941	62.7	62,000,000 ✓
1942	53.0	55,000,000 ✓
1950	71.3	72,776,000 ✓
1954	62.6	62,000,000 ✓

*1943 = 55 million acres*

Acreage allotments were proclaimed for the 1943 and 1951 crops but were terminated under the emergency powers of the governing law, after winter wheat was planted. Acreage allotments for the crops of 1944-49, inclusive, and for 1952 and 1953 were dispensed with also under the emergency powers. Marketing quotas have been in effect ~~only~~ for the 1941, 1942, ~~and~~ 1954 crops of wheat. *1955 and 1956*

4/ Increased acreage allotments for 1954 Class II Durum Wheat. - In furtherance of Public Law 290-83rd Congress, the Secretary of Agriculture announced on February 26, 1954 that farm wheat acreage allotments would be increased to provide for expansion in 1954 production of Class II Durum wheat. Class II Durum includes hard amber durum, amber durum, and durum (excluding red durum wheat), and is grown primarily in Minnesota and the Dakotas. The increase was in addition to the national allotment for 1954-crop wheat, set previously at 62 million acres. Only farms which grew Class II Durum wheat in one or more of the years 1951, 1952, and 1953 were eligible for increased acreage allotments for expanded production of this class of wheat. Class II Durum wheat is used exclusively in producing semolina, from which are made macaroni, spaghetti, and similar food products. No other class of wheat is suitable for producing high-quality alimentary paste products.

3. The national acreage allotment is apportioned to States, to counties, and finally to individual farms. The apportionments to States, and to counties within States, are made on the basis of the acreage seeded for production of wheat during the preceding 10 calendar years, with adjustments for abnormal weather conditions and trends in acreage during the 10-year period. The county acreage is apportioned to individual farms on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and slope and lay of the land.

4. Producers are not penalized for failure to comply with acreage allotments when marketing quotas are not in effect, except that the producer who is not a cooperator is entitled to only such support as the Secretary, in his discretion, may make available to such noncooperators, but not in excess of the support given to cooperators.

5. For 1955, a producer will be required to comply with all acreage allotments established for his farm in order to be eligible for price support on any crop produced on the farm that year. In addition, there will be a further requirement for farms where acreage allotments will call for diversion of more than 10 acres from the production allotment crops in 1955 (see page 12).

Wheat: Determination of National Acreage Allotment for the  
1955 Crop under Provisions of the Agricultural  
Adjustment Act of 1938, as Amended

Item	Quantity
	<u>Million bushels</u>
1. Normal year's domestic consumption <u>1/</u>	703
2. Normal year's exports <u>1/</u>	287
3. Item 1 plus item 2	<u>990</u>
4. 30 percent of item 3	297
5. Item 3 plus item 4	<u>1,287</u>
6. Indicated carryover on July 1, 1955	998
7. Estimated imports during the 1955-56 marketing year	<u>3</u>
8. Item 6 plus item 7	1,001
9. Production needed in 1955 (item 5 minus item 8)	286
	<u>Bushels</u>
10. National average yield per seeded acre <u>2/</u>	15.0
11. NATIONAL ACREAGE ALLOTMENT FOR THE 1955 CROP (item 9 & item 10)	<u>Million acres</u> <u>19.1</u>
12. MINIMUM NATIONAL ACREAGE ALLOTMENT	55.0

1/ Average for 1944-45 through 1953-54 adjusted for trend.

2/ 10-year average of 15.3 adjusted for trend.

B. Marketing Quota for Wheat:

1. The Secretary is required under law to follow certain legal formulas in determining whether quotas are required. Whenever in any calendar year, the Secretary finds that (1) total supply of wheat for the marketing year beginning in ~~the~~ calendar year is more than 20 percent larger than the normal supply for such marketing year (page 19, item 11) or (2) when the total supply for the marketing year ending in such calendar year is not less than the normal supply for such marketing year, and the average farm price for 3 successive months of such marketing year has not exceeded 66 percent of the parity price, the Secretary shall proclaim quotas for the marketing year beginning in the next calendar year.

The following explanation tells how "total supply" and "normal supply" are determined:

Total supply: The carryover at the end of the current marketing year--June 30, 1954--would be added to estimated total production from the 1954 crop. To this would be added the estimated imports for the next marketing year (1954-55). The resulting grand total would be the "total supply" for the 1954-55 marketing year as defined in existing legislation (item 10, below).

Normal supply: The domestic consumption for the current marketing year (1953-54) would be added to the estimated exports for the next marketing year (1954-55). To this total would be added 15 percent as an allowance for carryover reserves. The resulting grand total would be the "normal supply" for the 1954-55 marketing year as defined in the legislation (item 5, below).

*used in determining the supply percentage for the 1955 crop*  
**WHEAT:** Determination of Normal Supply, Marketing Quota Level, Total Supply and Supply Percentage for the 1955 Crop under Provisions of the Agricultural Adjustment Act of 1938, as Amended

Item	Quantity
	<u>Million bushels</u>
<u>Normal Supply and Marketing Quota Level</u>	
1. Domestic consumption during the 1953-54 marketing year <sup>1/</sup>	704
2. Exports during the 1954-55 marketing year	220
3. Item 1 plus item 2	<u>924</u>
4. Allowance for carryover (15 percent of item 3)	<u>139</u>
5. <b>NORMAL SUPPLY</b> (item 3 plus item 4)	<u>1,063</u> ✓
6. <b>MARKETING QUOTA LEVEL</b> (120 percent of item 5)	1,276
<u>Total Supply and Supply Percentage</u>	
7. Estimated carryover on July 1, 1954	900
8. Estimated production in 1954	1,000
9. Estimated imports during the 1954-55 marketing year	<u>3</u>
10. <b>TOTAL SUPPLY</b> (item 7 plus item 8 plus item 9)	<u>1,903</u>
	<u>Percentage</u>
11. <b>SUPPLY PERCENTAGE</b> (item 10 ÷ item 5)	179.0

<sup>1/</sup> Adjusted from 660 million to provide a more normal amount of wheat for domestic use.

2. When the Secretary of Agriculture determines that wheat marketing quotas are required, he must proclaim such fact not later than July 1, 1954, for the marketing year that begins on July 1, 1955.

3. Producers have a voice in determining whether the marketing quota program shall be put into effect. Existing law provides that the Secretary shall conduct a referendum, by secret ballot, of farmers who will be subject to the quota <sup>5/</sup> to determine whether such farmers favor or oppose such a quota program. If more than one-third of the farmers voting in the referendum oppose the quota program, the Secretary shall, prior to the effective date of such quotas, by proclamation suspend the operation of the marketing quota program.

4. Generally speaking, the marketing quota for an individual farm is the quantity of wheat produced on the farm acreage allotment.

5. If the farm acreage allotment is exceeded, the "farm marketing excess" must be determined. This is computed, in terms of bushels, on the basis of the normal production of the excess acreage.

6. The "farm marketing excess" may be marketed by the producer. But the producer is subject to penalty per bushel equal to 45 percent of the parity price on May 1. (The minimum loan rate on 1954-crop wheat determined on the basis of 90 percent of parity was \$2.20 per bushel. If the flexible scale is applied in 1955 the loan for 1955-crop wheat would be less.)

A producer may postpone or avoid the penalty by storing the farm marketing excess in accordance with regulations issued by the Secretary; or he may deliver such excess to the Secretary for disposal. Until the farm marketing excess is stored, delivered, or the penalty paid, a producer's entire crop of wheat is subject to a lien in favor of the United States for the payment of the penalty. The purchaser is required to pay the penalty, although he may deduct an amount equivalent to the penalty from the price paid to the producer.

7. The price support level would be reduced if producers should disapprove marketing quotas for wheat. The Agricultural Act of 1949 provides that "the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 percent of the parity price of such commodity . . ."

C. Differences between Acreage Allotment and Marketing Quota Programs for Wheat:

1. In the absence of a national emergency, a national acreage allotment must be proclaimed by the Secretary each year, even though

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<sup>5/</sup> Under present legislation the wheat marketing quota program does not apply to any farm on which the acreage planted to wheat does not exceed 15 acres or the normal production of the average planted to wheat is less than 200 bushels.



the supply situation is such as not to require the proclamation of marketing quotas. A marketing quota program, on the other hand, can be proclaimed only when the supply or price level reaches a certain point, as specified in the governing legislation.

2. Acreage allotment programs as such need not be approved by producers, whereas marketing quota programs must be.

3. No "penalties" are invoked by noncompliance with an acreage allotment program when marketing quotas are not in effect. However, overplanting the farm acreage allotment affects the producer's eligibility for price support. As already pointed out, the producer is not in that case eligible for price support as he is not then cooperator. "Penalties" are assessed on the farm marketing excess when quotas are in effect, and noncooperators are ineligible for price support at the level applicable to cooperators.

Present Law Provides for Adjusting Loan Rate to Flexible Basis for 1955 Crop; Change to New Parity Formula Scheduled for 1956

Present law provides that starting in 1955 the loan rate for wheat (barring national emergencies) shall be not less than 75 nor more than 90 percent of parity, with the minimum depending upon the supply situation. Large supplies indicate that the minimum level of support would be at 75 percent of parity. However, this represents the minimum, and the loan may be set at the discretion of the Secretary within the limits prescribed in the Agricultural Act of 1949. Under present legislation the old or unrevised parity will still apply in 1955, the change to the new or "modernized" parity formula being scheduled for 1956.

THE WORLD WHEAT SITUATION

Prospects Are for a World Crop Somewhat Smaller than the 1953 Near-Record 6/

Present prospects for the 1954 wheat crop indicate that world production will probably be somewhat smaller than the near-record outturn of 7.15 billion bushels in 1953. Prospects in both exporting and importing countries are generally less favorable than at this time last year, though exceptions are noted in some of the principal producing countries of Europe. World carryover stocks are large, however, and the world supply of wheat (production plus carryover) in 1954-55 will probably be a new high record.

Production Prospects in Exporting Countries

In the principal exporting countries of the Northern Hemisphere, wheat acreage in the United States and Canada will be less than in 1953, with the reduction especially marked in the United States as a result of acreage allotments. Current world crop prospects, however, indicate that there may be an increase in wheat carryover in North America during the 1954-55 season.

6/ Principally from Foreign Crops and Markets, June 21, 1954. Published by Foreign Agricultural Service, USDA.

Winter wheat acreage for harvest in the United States was estimated at 37.8 million acres, on the basis of the May crop report. That is considerably below average and shows a reduction of about 9 million acres or 19 percent, compared with the 1953 winter wheat acreage. In addition to that significant reduction, prospective acreage of spring wheat was down about 5 million acres from the large 1953 acreage, on the basis of farmers' intentions about March 1. If that cut materializes, total wheat acreage would be about 14 million acres less than the acreage harvested in 1953. Winter wheat yields were indicated at 19.6 bushels, according to June 1 conditions, an increase from the 1953 average of 18.8 bushels. This would mean a production of winter wheat of approximately 740 million bushels, 138 million bushels less than in 1953. Spring wheat production, on the basis of June 1 condition and prospective planted acreage reported in March, was indicated at 260 million bushels. These figures indicate a total crop of 1 billion bushels.

Intended acreage of wheat in Canada at the end of April was 24.6 million acres for winter and spring wheat, about a million acres less than the 1953 total wheat acreage. Of the total, 23.9 million acres represent intended seedings to spring wheat, with winter wheat acreage for harvest estimated at 0.7 million acres.

Wheat seeding for harvest in November-December, 1954, is in progress in Argentina and Australia, the principal exporters of the Southern Hemisphere. Spotty dryness in Argentina slowed preparation of land for winter grain, which was being seeded under the fair conditions at the end of April. The acreage outlook is uncertain, with some trade sources predicting some diversion of acreage to grazing, because of attractive cattle prices. Good rains had fallen in many parts of Australia, at the beginning of May, and the soil was generally in good condition for preparation of the land for seeding. Rains were still needed, however, to put the soil in condition in New South Wales and Western Australia, at latest report.

Most of the minor exporters report a favorable outlook. In France an acreage increase of about 750,000 acres over the 1953 area is reported. The increased acreage was maintained despite some damage from the January-February cold spell that made reseeding of some fields necessary in Northern and Eastern France. Crops are generally 3 weeks late because of cool weather. Yield prospects in mid-May indicated that yields may be at the record level of 1953, when yields averaged about 31.5 bushels per acre. Though it is too early for definite indications, present prospects point to an outturn of 330-350 million bushels, compared with 325 million in 1953. The outturn in Sweden this year is expected to be about 37 million bushels. This is about the same as the 1953 production, when the country was on a net export basis.

Wheat acreage in French North Africa is substantially larger than it was in 1953. Increases are noted for each of the three countries comprising the area, but the increases are largest in Algeria and Tunisia. Yields in Algeria are estimated to be about the same as they were in 1953 and the official estimate of the crop is 40.4 million bushels, compared with 39.5 million last year. No production estimates are available for French Morocco, but the current acreage estimate is 3,334,000 acres compared with 3,269,000 last year. Acreage for Tunisia is estimated at 2,323,000 acres compared with 2,029,000 in 1953.

Conditions have been less favorable in Turkey, where an exceptionally dry fall delayed operations and prevented seeding the full winter wheat acreage intended. However, conditions in the early spring favored grain seeding, and increased spring-sown acreage may have largely offset the decline in fall-sown acreage. Development of the fall-sown crop was retarded by the dryness, and unless the remainder of the growing season is exceptionally favorable, the crop is expected to be 10-15 percent less than the record 1953 harvest.

Growing conditions have been unusually favorable in Iran and wheat there has made very good growth. Prospects point to a wheat crop at least 20 percent above the 1953 outturn. So far as is known, Iran has not yet disposed of any of the estimated surplus of 3.7 million bushels from the 1953 crop. The wheat crop in Syria is also reported to be good, with significant quantities available for export.

#### Production Prospects in Importing Countries

The outlook is generally promising in the principal importing countries of Europe. Throughout Spain prospects are excellent, with preliminary forecasts placing the crop at about 165 million bushels. This would be one of the largest harvests since Spain's civil war and sharply above the 1953 outturn of about 125 million bushels. Larger acreage, good subsoil moisture supplies, and improved cultural practices account for the gain. Spain represented an important market for the United States wheat in 1953-54. If present crop prospects materialize, however, Spain will be close to self-sufficient in 1954-55. The outlook for the wheat harvest in Portugal was excellent at latest report, and a crop at least as large as in 1953 was expected.

In Italy also the outlook has been excellent, with little damage apparent from the unseasonably cool weather. Recent forecasts place the probable outturn at a minimum of 295 million bushels. The record crop of 1953 was estimated at about 330 million. Acreage is slightly larger than in 1953 but favorable growing conditions and continuing trends toward better farm practices appear the principal factors in the present favorable outlook. If prospects materialize, the total wheat supply for the 1954-55 season is indicated to exceed normal requirements, with carryover stocks at the beginning of that season comparatively large.

The wheat crop in Western Germany is expected to be somewhat below the good 1953 harvest, despite an increased acreage. The severe winter caused considerable damage to fall-sown crops, and about 18 percent of the winter wheat acreage had to be re-seeded, according to official estimates. Dry weather during the winter and spring months also reduced prospects. The 1954-55 wheat import requirement is roughly forecast at 2.5 million tons. It is expected that non-dollar sources will continue to supply an important part of the Federal Republic's import requirement.

Spring seeding in Austria is 3 to 4 weeks later than normal. Wheat acreage for that country is estimated to be about 588,000 acres, which is well above the total acreage harvested in 1953. Winter wheat acreage is well developed and frost damage was estimated to affect about 10 percent of that acreage. The 1954-55 wheat import requirement is currently estimated at 210,000 to 260,000 tons.

Reports state that the condition of the wheat crop in the United Kingdom is good despite low temperatures, which have retarded growth and made the season generally late. Total acreage figures are not available this early in the season, but no increase is expected. Winter wheat acreage seeded to December was about 1.5 million acres, compared with 1.6 million for the comparable period of 1952. The decline was mainly attributed to uncertainties resulting from decontrol of the grain trade. Most of the approximately 1 million-ton wheat reserve carried by the Ministry of Food will have been liquidated during the 1953-54 season, and demand should then rise. Wheat acreage in Ireland is estimated at 425,000 acres, about 10 percent above the 1953 area. Early sown winter wheat showed good progress, at latest report.

Prospects for the wheat crop in Yugoslavia are considerably less favorable than at this time last year, and the harvest may be as much as 25 percent below the 1953 crop. A fall drought hampered seeding and germination of winter wheat. The drought was broken by heavier than normal snowfall in January and February and a cold, wet March. Thus the moisture supply has been brought back to an adequate level, but a cold, backward spring has retarded development. The season is from 3 weeks to a month late in the important wheat producing areas. Yugoslavia has been an important taker of U. S. wheat during recent years. In Rumania and Hungary crop conditions have been similar to those in Yugoslavia.

Prospects for Greece point to a smaller wheat harvest than the record crop of 1953. Winter wheat acreage was very slightly below the large 1953 acreage, but yields are expected to be about 10 percent below the record yields last year. Even at that level the harvest would be a near-record one if the season continues favorable.

Larger seedings of wheat in the Low Countries, Belgium and the Netherlands, offset unfavorable growing conditions in those countries. Dry conditions retarded growth and considerable damage was sustained from heavy frosts of late January and early February. Acreage in Belgium was tentatively set at 504,000 acres compared with 411,000 acres harvested in 1953. Present acreage of 222,000 acres in the Netherlands compared with 161,000 acres harvested last year. Production in the latter country is forecast at about 11 million bushels compared with 9.5 million in 1953.

The outlook for wheat in Mexico is good and unofficial forecasts place the crop at about 27.5 million bushels, compared with 23.9 million in 1953. On the basis of current prospects, the 1954-55 wheat import requirement is expected to be sharply lower than the 350,000 to 450,000-ton level of imports in earlier postwar years (1950-51 to 1952-53). The United States has been the traditional source of supply for the Mexican market.

Preliminary reports place the wheat crop in Japan at about 48 million bushels. This is about 5 percent below the 1953 harvest and is also below average, with the reduction attributed to reduced acreage. The foreign exchange budget for April 1954-March 1955 includes provision for about 1,750,000 tons of wheat, compared with 2 million tons imported in 1953-54.

Production of all foodgrains in India during the 1953-54 agricultural year is tentatively estimated at 55.3 million long tons. This total is significantly higher than the preceding year's good production of 46.9 million tons. There was a foodgrain acreage increase of approximately 9 million (200.6 to 209.3) from 1952-53 to 1953-54. Wheat imports thus far in 1954 have been small.

World Wheat Exports Considerably  
Below Last Year; Exportable  
Supplies at Record Levels

Total world exports of wheat and flour (wheat equivalent) have been on a considerably lower level this season than in 1952-53. The aggregate shipments from the principal exporting countries during the first 11 months of the current season (July-May 1953-54) totaled about 618 million bushels compared with 745 million during the comparable period a year earlier. (table 2). Preliminary indications are that wheat and flour exports during July-May, 1953-54, have been well below July-May, 1952-53, in the United States (35 percent less), Canada (25 percent), and Australia (26 percent). On the other hand, with a substantial recovery in production from the extremely low level of 1951, Argentina is exporting much larger amounts. Preliminary and incomplete data also indicate that exports of wheat this season from countries other than the four principal exporters are running well ahead of a year ago, reflecting substantially larger shipments from Turkey and Sweden.

The aggregate supplies in these countries on June 1 for export and carryover are estimated at about 1,735 million bushels. This is about 3 percent above the previous record in 1943, and about 37 percent above the 1,270 million bushels on June 1, 1953. Supplies are a record in the United States, a near-record in Canada, and are substantial in the other two countries.

Table 2.- Wheat and flour: Exports from principal exporting countries, by months, July 1953 to May 1954, with comparisons

Month	United States		Canada		Australia		Argentina		Total	
	1952- 1953	1953- 1954	1952- 1953	1953- 1954	1952- 1953	1953- 1954	1952- 1953	1953- 1954	1952- 1953	1953- 1954
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
July	20.4	25.9	43.7	44.2	6.7	13.9	---	9.6	70.8	93.6
Aug.	26.2	20.4	32.0	28.4	7.8	5.8	---	9.9	66.0	64.5
Sept.	26.3	21.5	29.5	24.2	6.2	5.4	---	9.3	62.0	60.4
Oct.	32.6	12.8	33.3	25.7	6.7	5.2	---	13.3	72.6	57.0
Nov.	19.6	15.2	43.1	24.4	7.6	6.7	---	10.5	70.3	56.8
Dec.	29.5	12.8	30.4	17.8	5.2	2.9	0.2	10.6	65.3	44.1
Jan.	34.5	12.2	22.4	17.8	7.0	5.2	.9	6.6	64.8	41.8
Feb.	29.0	16.2	17.0	13.7	5.5	4.2	2.0	8.4	53.5	42.5
Mar.	35.3	14.8	16.4	18.9	11.7	5.6	2.8	8.7	66.2	48.0
Apr. 1/	27.8	19.5	25.0	15.0	11.5	4.1	4.7	8.3	69.0	46.9
May 1/	19.1	24.5	46.4	25.0	10.9	5.4	8.6	8.0	85.0	62.9
Total (11 mos.)	300.3	195.8	339.2	255.1	86.8	64.4	19.2	103.2	745.5	618.5

1/ Preliminary.

Table 3 -- Wheat, No. 2 Hard Winter: Price, loan value, and ceiling at Kansas City, 1937-54

(Data for cover page)

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Year begin- ning July	Weighted cash price of No. 2 Hard Winter Wheat at Kansas City 1/												Loan value at Kansas City 2/
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Cents
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1937	122.5	111.8	109.5	106.0	94.2	96.5	102.7	99.6	91.5	84.6	79.7	76.7	---
1938	70.0	65.5	65.7	64.7	63.3	66.9	70.9	69.2	68.7	69.6	75.7	70.9	72
1939	66.7	64.6	85.9	82.7	85.8	98.3	101.2	99.4	102.1	105.7	94.7	76.3	77
1940	70.7	69.3	75.8	81.6	84.5	83.0	84.7	77.8	85.0	87.2	90.4	97.3	77
1941	98.3	106.6	114.1	112.2	113.4	120.1	125.6	123.1	121.0	114.6	114.9	110.9	110
1942	107.9	111.2	120.3	120.5	123.1	130.5	136.8	137.0	139.9	138.4	138.1	137.0	127
1943	140.1	139.8	145.8	152.3	156.4	162.8	164.8	163.0	165.2	164.0	163.2	155.6	137
1944	152.1	150.8	153.0	161.3	159.1	162.0	163.6	165.8	166.3	165.7	166.7	168.2	150
1945	158.3	159.8	162.1	168.3	168.9	169.2	169.2	169.1	172.0	172.1	---	186.1	153
1946	197.8	193.8	196.0	203.9	210.4	207.2	209.0	226.1	269.4	267.6	269.3	237.3	164
1947	228.8	231.8	264.6	295.3	299.9	301.1	303.2	250.8	245.4	244.5	240.2	229.4	202
1948	219.3	215.0	220.4	222.6	228.2	228.7	225.0	219.6	224.1	226.0	222.1	195.1	223
1949	200.4	206.0	215.2	218.8	220.2	222.1	222.3	222.4	227.2	230.6	230.0	217.0	220
1950	222.8	220.9	221.0	217.9	222.4	234.6	240.2	247.6	240.1	243.5	238.4	234.3	225
1951	230.7	233.0	238.3	245.2	254.0	254.1	251.9	249.2	249.6	249.2	244.6	230.6	244
1952	225.1	232.3	240.9	241.6	245.8	244.5	240.2	235.8	239.5	238.7	235.5	203.6	248
1953	208.6	217.5	221.7	228.8	233.7	237.5	237.9	239.3	241.7	244.7	237.0		249
1954													3/249

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1/ Computed by weighting selling price by number of carlots sold, as reported in the Kansas City Grain Market Review. In this price, wheat of above as well as below 13 percent protein is included.

2/ Loan rate is for wheat of less than 13 percent. Ceiling became effective January 4, 1944 at \$1.62 including 1½ cents commission, basis protein of less than 13 percent. On December 13, 1944 it was raised to \$1.66, on May 30, 1945 to \$1.691, on March 4, 1946 to \$1.721 and on May 13, 1946 to \$1.871. On June 30, 1946, ceilings expired.

3/ Minimum rate, which will be increased on the basis of 90 percent of the July 1 parity price.

Table 4 .- Wheat: Stocks in the United States on April 1, 1948-54

Stocks position	1948	1949	1950	1951	1952	1953	1954
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bu.	bu.	bu.	bu.	bu.	bu.	bu.
Farm 1/	256,577	243,582	193,579	217,111	197,895	269,523	297,873
Interior mills, elevators and warehouses 2/	75,434	147,878	190,884	200,642	112,337	247,706	379,232
Terminals (commercial) 3/	70,174	124,656	180,659	193,663	124,865	217,258	315,984
Merchant mills and mill elevators 4/	73,714	63,229	88,423	101,052	80,760	101,691	104,778
Commodity Credit Corp. 5/	3,845	3,376	5,548	3,156	2,037	4,351	30,433
Total	479,744	582,721	659,093	715,624	517,894	840,529	1,128,300

1/ Estimates of Crop Reporting Board. 2/ All off-farm storage not otherwise designated. 3/ Commercial stocks reported by Grain Division, AMS at 43 terminal cities. 4/ Mills reporting to the Bureau of Census on millings and stocks of flour. 5/ Owned by CCC and stored in bins or other storage owned or controlled by CCC; also CCC-owned wheat in transit and in Canadian elevators. Other wheat owned by CCC as well as wheat outstanding under loan is included in other stocks positions.

Table 5 .- Wheat: Weighted average cash price, specified markets and dates, 1953-1954

Month and date	All classes and grades six markets		No. 2 Dark Hard Winter Kansas City		No. 1 Dark N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		No. 1 Soft White Portland 1/	
	1953	1954	1953	1954	1953	1954	1953	1954	1953	1954	1953	1954
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Month												
Apr.	2.53	2.59	2.39	2.45	2.53	2.62	2.97	3.57	2.27	2.21	2.43	2.33
May	2.53	2.54	2.36	2.37	2.56	2.67	2.95	3.14	2.14	2/2.10	2.37	2.33
Week ended												
Apr. 16	2.54	2.56	2.40	2.42	2.54	2.60	2.98	3.58	---	2.18	2.43	2.33
23	2.52	2.61	2.38	2.46	2.52	2.62	2.98	3.58	2.24	2.24	2.43	2.33
30	2.54	2.61	2.40	2.45	2.54	2.67	2.96	3.47	---	2.14	2.42	2.33
May 7	2.53	2.60	2.38	2.45	2.55	2.67	3.00	3.42	2.19	---	2.39	2.32
14	2.55	2.55	2.38	2.34	2.57	2.66	3.00	3.17	2.17	2.12	2.38	2.32
21	2.52	2.46	2.32	2.33	2.54	2.65	2.92	2.89	2.03	2.09	2.36	2.32
28	2.52	2.56	2.25	2.41	2.56	2.70	2.90	3.01	---	---	2.35	2.33
June 4	2.47	2.52	2.21	2.26	2.53	2.68	2.84	3.00	---	1.93	2.34	2.33
11	2.49	2.48	2.21	2.29	2.55	2.68	2.90	3.06	---	1.92	2.35	2.32
18	2.27	2.37	2.11	2.13	2.43	2.64	2.79	3.03	---	1.85	2.35	2.32

1/ Average of daily cash quotations.

2/ Only 2 cars.

Table 6 .- Wheat: Average closing prices of July wheat futures, specified markets and dates, 1953-54

Period	Chicago		Kansas City		Minneapolis	
	1953	1954	1953	1954	1953	1954
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Month						
April	2.23	2.10	2.25	2.13	2.34	2.28
May	2.14	1.95	2.18	2.02	2.31	2.21
Week ended						
April 15	2.23	2.12	2.25	2.15	2.33	2.28
23	2.22	2.10	2.24	2.15	2.33	2.29
30	2.20	2.03	2.24	2.06	2.33	2.25
May 7	2.18	1.96	2.22	2.00	2.34	2.22
14	2.15	1.93	2.19	2.00	2.32	2.21
21	2.13	1.96	2.17	2.04	2.30	2.20
28	2.08	1.95	2.12	2.04	2.27	2.21
June 4	2.03	1.92	2.09	2.01	2.24	2.18
11	2.02	1.95	2.09	2.01	2.24	2.20
18	1.98	1.91	2.06	1.98	2.22	2.18

Table 7 .- Wheat: Prices per bushel in three exporting countries Friday mid-month, January-June 1954, weekly April-June 1954

Date (Friday)	Hard spring wheat		Hard winter	Soft wheat	
	United States, No. 1 Dark Northern Spring 13 per- cent protein at Duluth 1/	Canada, No. 2 Manitoba at Fort William 2/ 3/	wheat, United States, No. 1 at Galveston 4/	United States, No. 1 soft white at Portland: 1/	Australia 3/ 4/
	Dollars	Dollars	Dollars	Dollars	Dollars
Friday mid-month					
January 15	2.48	1.90	2.58	2.33	---
February 12	5/2.50	1.88	5/2.61	5/2.34	---
March 12	2.51	1.80	2.63	2.34	---
April 15	2.50	1.79	2.51	2.32	---
May 14	2.55	1.80	2.42	2.32	6/1.64
June 18	2.52	---	2.16	2.32	---
Weekly					
April 23	2.58	1.80	2.52	2.33	---
30	2.58	1.80	2.47	2.32	---
May 7	2.54	1.80	2.41	2.32	---
21	2.55	1.80	2.40	2.32	---
28	2.58	1.80	2.34	2.34	---
June 4	2.60	1.80	2.22	2.32	---
11	2.62	1.69	2.20	2.32	---

1/ Spot or to arrive. 2/ Fort William quotation is in store. 3/ Sales to non-contract countries. Converted to United States currency. 4/ F.o.b. ship. 5/ Prices as of February 11. 6/ Price as of May 11, the only reported export price to date in 1954 except c.i.f. prices to United Kingdom ports as follows: Early January, \$2.14; January 26, \$2.12; February 9, \$2.14; March 9 to 23, \$2.13; April 6, \$2.10; and April 21, \$1.96.