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THE WHEAT SITUATION
Including Rye

Summary

Prospective world wheat supplies, according to the Bureau of Agricultural Economics, indicate that, if disappearance in 1937-38 is about the same as the average for the past 3 years, world stocks next summer will still be 50 million bushels or more below the average which prevailed prior to the accumulation of stocks in 1929-33. Prospective world supplies for the current year (beginning July 1), excluding Soviet Russia and China, are now estimated to be about 60 million bushels larger than the small supplies of 1936-37. Carry-over stocks, now estimated at 210 million bushels less than last year, are more than offset by a 270 million-bushel increase in the estimated world crop.

Carry-over stocks in European importing countries have been greatly diminished and are now probably at or very near the low point, even considering the next few years. Imports by Europe in 1937-38, however, are not expected to increase stocks next July above present levels, unless the political situation should become so tense as to bring about the desire for larger reserves. With the rather high prevailing wheat price levels, together with the limited gold supplies and financial and trade difficulties in many countries, any large "reserve" purchases probably will be postponed as long as possible.

On the basis of present crop estimates, carryover stocks, and other information, it would appear that net imports by European importing countries may be 40 million bushels less and imports by non-European countries also 40 million bushels less in 1937-38 than in 1936-37. Total imports of this size would still

be above the levels of 1934-35 and 1935-36. Because of the smaller quantity available for export from the Danube Basin countries, the European imports from overseas countries and Soviet Russia may not be very much below those of last year. Smaller non-European imports are largely due to the United States going from an import to an export basis.

Exports from the United States in 1937-38, on the basis of present world supply estimates, may be expected to be close to 100 million bushels. Exports of this size would leave the United States carry-over next July near 200 million bushels, which is considerably below 326 million bushels, the average for the 5 years 1930-34, when stocks were large. Thus far this season exports of United States wheat and flour have been small. Importing countries have been postponing purchases awaiting a more definite appraisal of the size of the Southern Hemisphere crops and Russian shipments, but it is probable that they will increase their purchases before long.

Yields based on weather conditions to date and reported acreage now indicate a production of 205 million bushels for Argentina and 155 million bushels for Australia, which represents a net decrease of 38 million bushels for the two countries compared with the crop of last year.

Soviet grain exports, as usual, remain largely a matter of conjecture, being dependent upon government policy. The apparently good 1937 crop in Soviet Russia and the high level of prices favor fairly large Russian exports this year. In the years 1933-34 and 1935-36, Soviet Russia exported 34 million bushels and 29 million bushels, respectively.

The 1937 rye crop in the 25 European countries for which reports are now available is indicated to be about 806 million bushels, or 40 million bushels

less than the small 1936 crop. This production is the smallest since the very small harvest of 1931. With greatly reduced supplies in European countries, unless Russia unexpectedly enters the export market in volume, significant exports of rye from the United States are probable this year.

THE WORLD WHEAT SITUATION

BACKGROUND.- Total world supplies of wheat, after increasing from 1929 to 1933, declined sharply as a result of successive years of small production and increased world demand. Apparent world disappearance has averaged about 3,775 million bushels during the past 10 years. World market prices of wheat have moved steadily upward since the spring of 1933, reflecting higher world commodity price levels, four successive below average harvests in North America, and the 1935-36 short Southern Hemisphere crop. World prices during 1936-37 advanced sharply as a result of increased demand and the smallest supplies in recent years.

World wheat supplies and disappearance

The world wheat supply situation, concisely presented in table 1, shows the estimated supply for 1937-38 and the estimated supply and apparent disappearance for the past 3 years. Total supplies for 1937-38 are now estimated to be 61 million bushels larger than in 1936-37. Estimated stocks declined 209 million bushels, but this was more than offset by an increase of 270 million bushels in estimated production. If Russia should export 30 million bushels during the current year beginning July 1937, compared with exports of 4 million bushels last year, total estimated supplies would be about 87 million bushels larger than last year. If the disappearance in 1937-38 is about the same as the average disappearance of the past 3 years, however, world stocks next summer on this basis will still be 50 million bushels or more below the average which prevailed prior to the accumulation of stocks in 1929.

World wheat stocks

World old-crop wheat stocks, excluding those of Asia and Soviet Russia, on about July 1, 1937, are estimated at 518 million bushels, which represent decreases of 209 million bushels from 1936, 397 million bushels from 1935 and 637 million bushels from 1934. These are perhaps 120 million bushels smaller than the average prior to 1929 when stocks started to accumulate. Estimated stocks by countries are shown in tables 2 and 3.

Table 1.- Estimated world old-crop wheat stocks excluding Asia and Soviet Russia on about July 1, world production excluding China and Soviet Russia, net exports from Soviet Russia, and world disappearance, 1934-35 to 1937-38

Item	1934-35	1935-36	1936-37	1937-38
	Million bushels	Million bushels	Million bushels	Million bushels
Stocks 1/, excluding Asia 2/ and Soviet Russia 2/	1,155	915	727	518
Production 3/, excluding China and Soviet Russia	3,521	3,574	3,538	3,808
Total above supply	4,676	4,489	4,265	4,326
Net exports from Soviet Russia	2	29	4	4/ (30)
Total above	4,678	4,518	4,269	4,356
Less year-end stocks	915	727	518	
Apparent world disappearance	3,763	3,791	3,751	

1/ See tables 2 and 3 for stocks by countries.
2/ Year-end stocks in India, Japan and Egypt do not change materially from year to year and have probably averaged about 40 million bushels in recent years. No figures are available for China.
3/ See table 4 for production by countries.
4/ Nominal figure based on 1933 and 1935, when net exports amounted to 34 and 29 million bushels, not a forecast; could be more or less largely depending on government policy.

Stocks in European countries 1/

Carry-over stocks of wheat in Europe 2/ on August 1, 1937, were at the lowest level in many years. In fact practically no country can be said to have burdensome stocks at present. The low level of stocks in a great many countries is even viewed with concern. The carry-over of old crop stocks into the new season is now estimated at about 155 million bushels for the countries outside of the Danube Basin and Soviet Russia. This is less than half the carry-over supplies in 1934, and about 69 million bushels less than in 1936. The estimate for Europe with the Danube is about 190 million bushels, which represents a decline of 67 million bushels from 1936, 118 million bushels from 1935, and 167 million bushels from 1934. Estimates for the various countries are shown in table 3, which also contains estimates of "normal" carry-over.

1/ Reported by the European offices of the Bureau of Agricultural Economics.
2/ Stocks of old wheat before the new crop moved to market; August 1 arbitrarily chosen to represent the mid-point between the beginning of the European harvest in June and the end in September.

Table 2.- Estimated world old-crop wheat stocks, excluding Asia and Soviet Russia on about July 1, 1934, to 1937

Countries	1934	1935	1936	1937
	Million bushels	Million bushels	Million bushels	Million bushels
United States 1/	274	148	142	103
Canada 2/	222	225	155	70
Argentina 3/	143	105	72	59
Australia 4/	101	67	53	48
Danube Basin 5/	33	22	33	35
North Africa 5/	15	24	11	5
Afloat	44	38	38	44
Total of above	832	629	504	364
Europe, excluding Danube and Soviet Russia 5/	323	286	223	154
Total stocks excluding Asia and Soviet Russia	1,155	915	727	518

1/ United States stocks of old wheat on farms and in country mills and elevators, total commercial stocks, and total stocks in merchant mills and elevators. Commercial stocks and stocks in merchant mills and elevators in certain years include some new wheat. Probably 4 and 7 million bushels of such wheat were included in commercial stocks in 1936 and 1937, respectively, and 5 million bushels in merchant mill stocks in 1937.
2/ Carry-over July 31, plus net exports and retention of flour for July including Canadian wheat in United States.
3/ Carry-over on December 31, plus exports and domestic consumption, July 1-December 31.
4/ Carry-over on December 1, plus net exports and domestic consumption July 1-November 30.
5/ Estimated by the European offices of the Bureau of Agricultural Economics. See table 3 for estimates by countries, also note 2 on page 4.

Though the present level of stocks is still statistically larger than the estimated normal year-end carry-over for Europe, for all practical purposes it appears that no further significant decline may be expected. On the contrary, after another season it is not unlikely that further gains may be recorded as compared with the present totals unless short world crops or other unusual factors prevent the expected increase.

The prospective carry-over in 1938, is not expected to show much change as compared with that of the present season. European crops were not large enough this year except in the Baltic States, possibly in Nationalist Spain, and to a certain extent in the Danube region (if exports do not develop favorably) to permit of any significant carry-over. Even if there were some gain, the present prospects are for a further decline in French and Czechoslovakian stocks that would fully offset such an increase. Likewise the prevailing world wheat price level is too high to encourage any significant stock accumulations unless

a very serious world political situation should develop and all available supplies should be purchased. In the present forecasts for carry-over into the 1938-39 crop, a further reduction in the French stocks to a quantity below normal is assumed, as the Government policy in that country appears to be one of postponing imports as long as possible. Should any large imports be made into France or into Italy next spring, however, the European total would probably show some increase.

Table 3.- Estimated carry-over of old crop wheat about August 1 1/ in European countries, 1934 to 1937 and estimated normal

Country	"Normal" 2/	1934	1935	1936	1937 3/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Austria	1.8	2.4	2.0	1.7	2.2
Belgium	4.0	3.7	2.9	3.1	3.7
Czechoslovakia	4.8	12.8	12.9	25.7	14.7
Denmark	1.5	1.3	2.0	1.8	1.3
Estonia	0.2	0.2	0.4	0.3	0.2
Finland	0.7	0.6	0.7	0.7	0.9
France	22.0	117.5	91.9	49.6	27.6
Germany	12.9	55.1	49.6	25.7	18.4
Greece	3.1	3.3	3.3	3.7	4.5
Irish Free State	1.7	1.7	1.7	1.8	1.5
Italy	20.6	44.1	16.5	22.1	16.5
Latvia	0.5	0.9	1.5	0.6	0.6
Lithuania	0.7	0.7	1.5	1.0	0.7
Netherlands	2.9	3.3	2.6	2.9	3.1
Norway	0.7	1.8	2.0	1.7	2.0
Poland	5.1	9.2	8.8	5.5	6.4
Portugal	1.5	3.3	9.2	7.3	1.5
Spain	10.5	18.4	40.4	33.1	11.0
Sweden	1.8	3.5	3.3	3.1	2.8
Switzerland	2.9	6.4	6.8	6.2	5.5
United Kingdom	29.4	33.1	25.7	25.7	29.4
Europe, excluding Danube and Soviet Russia	129.3	323.3	285.7	223.3	154.5
Danube Basin	27.6	33.1	22.0	33.1	34.9
Total Europe, excluding Soviet Russia	156.9	356.4	307.7	256.4	189.4

1/ Refers to stocks of old wheat before the new crop moved to market; August 1 arbitrarily chosen to represent the mid-point between the beginning of the European harvest in June and the end in September. Estimates by European offices of the Bureau of Agricultural Economics.

2/ In general, this approximates one month's average requirements for human consumption. These figures are revised from time to time to take account of changing consumption.

3/ Preliminary.

World wheat crop prospects

The 1937-38 world wheat crop, exclusive of the Union of Socialist Soviet Republics and China, is now estimated at 3,808 million bushels, an increase of 8 percent over the production in 1936-37, and a 4 percent increase over the average production for the past 5 years. Upward revisions in the estimates for countries other than the United States have increased the total for the current season 37 million bushels over the total indicated in August. Estimates by countries are shown in table 4.

The estimated production in the United States is now placed at 886 million bushels compared with the August estimate of 890 million bushels and with the 1936 crop of 626 million bushels. The first official estimate of the Canadian crop is 188 million bushels, compared with the production of 229 million bushels last year and the 1935 crop of 282 million bushels. The 1937 crop is the lowest since 1914, when a crop of 161 million bushels was harvested from an acreage only four-tenths the size of the 1937 acreage. The drought damage in 1937 has been unparalleled in the previous crop history of the Prairie Provinces and the yield per acre is at a new low level. The grade and the quality of the crop, however, are indicated to be very high, although slightly below the record of 1936.

According to present estimates, the 1937 European wheat crop is well above the small 1936 crop, but well below that of 1935 and slightly below average. The current estimate has been revised upward about 8 million bushels during the past month, and is now placed at 1,537 million bushels. This compares with the production of 1,484 million bushels in 1936. In the individual countries, significant decreases from last month's estimates were noted for France and Czechoslovakia. These decreases, however, were more than compensated for by increases reported for Germany, Spain, and other countries. The increase over the 1936 crop is accounted for largely by marked increases in production in Italy and in Spain. The quality of the 1937 European crop is generally reported better than a year ago. The grain is heavier than in 1936 and the moisture content less. The quality of the crop in Italy is excepted in that it is reported to be below average. Reports indicate very heavy and good quality grain available for export from all the Danubian countries.

The estimate of wheat production in North Africa remains virtually unchanged from that reported last month. The quality of the grain, especially in Tunisia, is reported to be above average.

In Argentina there was a continued deficiency of rainfall during August and the first half of September. Rains during August were well distributed but were altogether insufficient for the needs of the growing crop and there was a resultant poor germination of seed. Heavy rains were received over much of the wheat area on September 18 and 19. The area sown to wheat is estimated to be 17,594,000 acres. Assuming average growing conditions for the rest of the season, the Buenos Aires office of the Bureau of Agricultural Economics tentatively estimates a production of 205 million bushels. This represents a decrease of 5 million bushels from the 210 million bushels estimated last month on the basis of 17.5 million acres and past weather and yield relationships.

Table 4.--Production of wheat in specified countries, 1934-35 to 1937-38

Country	1934-35	1935-36	1936-37	1937-38
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTHERN HEMISPHERE				
North America:				
United States	526,393	626,344	626,461	885,950
Canada	275,849	281,935	229,218	188,191
Mexico	10,950	10,712	13,606	12,949
Total (3)	813,192	918,991	869,285	1,087,090
Europe:				
England and Wales	65,259	60,592	51,445	51,707
Scotland	4,144	4,480	3,547	4,107
Northern Ireland	363	362	273	243
Irish Free State	3,803	6,686	7,839	1/ 7,200
Norway	1,204	1,767	2,094	2/ 2,200
Sweden	27,806	23,610	21,525	26,492
Denmark	12,847	14,672	11,390	2/ 11,900
Netherlands	18,042	16,653	15,575	12,676
Belgium	16,757	16,101	16,153	3/ 14,700
France	338,513	284,950	255,932	3/246,200
Spain	186,834	157,986	121,490	3/147,000
Luxemburg	1,171	1,022	1,070	1,123
Portugal	24,690	22,092	8,651	14,540
Italy	233,064	282,760	224,999	294,305
Switzerland	5,519	5,989	4,470	6,162
Germany	166,547	171,488	4/162,660	4/157,886
Austria	13,306	15,509	13,514	5/ 13,375
Czechoslovakia	50,014	62,095	55,583	49,897
Greece	25,679	27,180	21,338	6/ 27,557
Poland	76,441	73,884	78,357	65,771
Lithuania	10,476	10,093	7,949	2/ 8,500
Latvia	8,051	6,520	5,272	6,393
Estonia	3,107	2,267	2,433	2,903
Finland	3,280	4,233	5,442	6,030
Malta	310	179	236	331
Albania	1,579	1,556	1,129	(1,100)
Total (26)	1,298,806	1,274,726	1,100,366	1,180,298
Bulgaria	39,595	47,925	59,304	64,233
Hungary	64,824	84,224	87,789	70,111
Rumania	76,553	96,439	128,717	135,983
Yugoslavia	68,328	73,101	107,421	7/ 86,300
Total (4)	249,300	301,689	383,231	356,627
Total Europe (30)	1,548,106	1,576,415	1,483,597	1,536,925

Continued-

Table 4.-Production of wheat in specified countries, 1934-35 to 1937-38 - cont'd

Country	1934-35	1935-36	1936-37	1937-38
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTHERN HEMISPHERE CONTD:				
Africa:				
Algeria	43,528	33,532	29,774	34,362
Morocco	39,586	20,036	12,234	18,000
Tunisia	13,779	16,902	8,083	18,372
Egypt	37,277	43,222	45,700	45,378
Total (4)	134,170	113,692	95,791	116,112
Asia:				
Palestine	3,044	3,834	2,795	(2,800)
Syria and Lebanon	16,279	18,520	15,998	(16,000)
India	349,813	363,216	351,680	366,165
Japan	47,660	48,718	45,192	49,605
Chosen	9,268	9,747	8,078	11,041
Turkey	99,712	92,640	138,486	7/139,600
Total (6)	525,776	536,675	562,229	585,211
Total 43 countries	3,021,244	3,145,773	3,010,902	3,325,338
Estimated Northern Hemisphere total, excluding Soviet Russia and China	3,074,000	3,202,000	3,067,000	3,381,000
SOUTHERN HEMISPHERE				
Argentina	240,669	141,462	247,834	8/ 205,000
Australia	133,393	144,217	150,170	(155,000)
Union of South Africa	16,936	20,195	16,195	(15,000)
Estimated world total, excluding Soviet Russia and China	3,521,000	3,574,000	3,538,000	3,808,000

Compiled from official data except as otherwise noted. Revised from last month.

1/ Estimate of the London office of the Bureau.
2/ Estimate of the Berlin office of the Bureau.
3/ Estimate of the Paris office of the Bureau.
4/ Includes the Saar.
5/ Winter wheat only.
6/ Trade estimate. The official estimate of 37,242,000 bushels is considered by the Belgrade office of the Bureau of Agricultural Economics to be too high.
7/ Estimate of the Belgrade office of the Bureau.
8/ Based on weather conditions to date.

Over large areas in Australia, weather was favorable during the past month and crop conditions improved. The crop conditions are considered satisfactory over much of the country, but further rainfall is needed. Based on weather to date and reported acreage, a production of about 155 million bushels is indicated which represents an increase of 15 million bushels over the estimate issued a month ago.

Present official comments and reports for Soviet Russia point to an unprecedented crop of all grains estimated in the aggregate at about 127 million short tons, or 28 percent above the officially reported 1933-35 average. There is good reason to think, however, that this figure is over-optimistic even as an estimate of the so-called "biological yields". The reduction of the official estimate by 10 percent would probably not be unreasonable. A further reduction which may well reach 15 to 20 percent or more may be necessary in order to obtain the figure of the final "barn" crop (that is, the crop actually available for ultimate consumption), because of the heavy harvesting losses experienced during the current season.

World import prospects

On the basis of present crop estimates, carry-over stocks and other information, it would appear that net imports of wheat by European importing countries (table 5) will amount to around 400 million bushels and imports by nonEuropean countries about 85 million bushels, making a total of 485 million bushels for the year beginning July 1, 1937, compared with about 565 million bushels estimated to have been taken by the same countries in 1936-37. This is a decrease of about 80 million bushels. Imports by nonEuropean countries are expected to be reduced from those of last year by about 40 million bushels, largely because the United States, a net importer in 1936-37, is on an export basis this year.

The 395 million bushels which now appears likely to be imported by Europe 3/, is also about 40 million bushels less than a year ago, but about 55 million bushels more than 2 and 3 years ago and slightly larger than in 1933-34. Because of a smaller quantity available for export from the Danube Basin countries (table 8), however, European imports from overseas countries and Soviet Russia may not vary much below those of last year.

The indicated decline in European imports in 1937-38 (table 5) compared with last year is almost entirely the result of a prospective sharp decrease in imports by Italy. During the past year, Italy's estimated importations of around 57 million bushels of wheat ranked her as the second most important European market. Prospects for a much larger crop, however, make it possible, statistically at least, for Italy to get along with very small imports this year. Some decline is also expected this season in the takings by Greece on account of the reported very good crop. On the other hand, a few increases compared with last year are in prospect. The largest increase in imports will likely be made by France, although with the much better crop in the North African countries foreign wheat takings by that country may not be significantly increased. A small gain also seems probable in the Netherlands where a very much reduced crop has been harvested this year.

3/ Reports for Europe from the European offices of the Bureau of Agricultural Economics.

Table 5.- Net imports of wheat, including flour 1/, into European countries excluding Danube and Soviet Russia, year beginning July 1, 1933-34 to 1936-37, and forecast for 1937-38

Country	1933-34	1934-35	1935-36	1936-37	1937-38 forecast 1/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Austria	11	10	7	10	10
Belgium	43	40	39	40	40
Denmark	12	19	9	7	7
Finland	4	4	4	4	3
France	18	2/-17	7	9	26
Germany	2/ -4	11	3/	23	28
Greece	12	13	15	21	13
Irish Free State	19	18	15	14	14
Italy	8	10	7	57	6
Latvia	0	4/	2/-2	1	0
Netherlands	24	19	21	21	24
Norway	9	9	8	9	8
Portugal	1	1	2/-3	3/	0
Spain	4/	4/	3/	6	1
Switzerland	18	18	17	19	17
United Kingdom	216	202	205	199	202
Total, net imports	5/ 393	6/ 358	6/350	440	399

1/ Forecast by European offices of the Bureau of Agricultural Economics.
2/ Net exports.
3/ Less than 500,000 bushels
4/ Net exports of less than 500,000 bushels.
5/ Includes 2 million bushels net imports by Sweden.
6/ Includes 1 million bushels net imports by Czechoslovakia.

The forecast of imports by Germany in 1937-38 are only moderately larger than last year. This may be considered a conservative estimate of what Germany needs and would like to import. As trade is now entirely a matter of government policy, however, actual imports may be well below, or, on the other hand, even somewhat above the recorded figure. If rye were to be used solely as a bread grain, Germany would be virtually self-sufficient in bread grains even in a poor crop year like the present. In view of the short European rye crop, however, and the very limited import possibilities for this grain, it seems quite reasonable to suppose that Germany may hold part of the rye supplies (especially as that country is desirous of replenishing depleted stocks), and import a fair sized quantity of wheat again if it can be satisfactorily arranged; if not, rye can be mixed with wheat to a larger extent than heretofore. In the case of Spain which country imported certain quantities in the last season, a forecast is likewise difficult, but it now seems likely that imports into the deficit Valencia government region will be mostly offset by some exports from Franco's wheat surplus districts; if not, the import requirements will be larger than estimated as will also the carry-over into next year.

Wheat requirements and disappearance in many countries this year will be reduced to a certain extent by various economy measures. The high level of world prices and the need to conserve foreign exchange is tending to raise the extraction ratio wherever possible, and also to make for some consideration of admixtures with bread grain flour or of the substitution of other grains and foods for wheat. With regard to admixtures, Germany is leading the way by requiring certain quantities of corn flour to be mixed with wheat flour and probably later will require potato flour to be mixed with rye flour. Portugal is encouraging substitution for wheat when possible and in Italy is contemplating the incorporation of 10 percent corn flour with wheat flour.

Consumption appears to have declined considerably in Italy and France during the past 2 or 3 years, also in Czechoslovakia, Austria, and Denmark, and to some extent even in the United Kingdom. For Greece, Finland, Norway, Sweden, Germany, and also the Baltic States, there has been a noticeable upward trend in wheat disappearance in recent years. In the northern countries this appears to be largely the result of a shift from rye to wheat, while in Greece it appears to be largely the result of increasing population needs and in Germany of a combination of increasing population, industrial recovery, and during the past 2 years, army food purposes. The increasing wheat disappearance in Germany has resulted in considerable concern in view of the reduced crops, small carry-over stocks and import difficulties, so that now there appears to be a definite policy not only to check the increase but even to reverse this trend.

The indispensibility of certain, and often considerable, quantities of high grade foreign wheat for mixing purposes is no longer considered axiomatic. The factors, availability of supplies by special trade agreements, and price when purchased again foreign exchange, are much more important than quality or consumer desires, except on certain relatively free markets, like the United Kingdom and a few others which do not have some exchange control. Considerable progress also seems to have been made in recent years by European millers in using domestic wheats effectively.

Italy and northern Africa which constitutes the important durum production region of the world and together with France the important consuming area, will have enough durum wheat for all requirements this year, and will probably take practically no supplies from North or South America or the eastern Mediterranean. They will form a completely self-contained unit unless Italy should have some net exports of durum in the form of products (which may also include some hard bread wheat from North America), or unless Morocco should be obliged to take some imports, other than minor quantities of durum from Algeria and Tunisia. Estimated net imports or net exports of durum wheat for 1937-38 with comparisons are shown in table 6.

Table 6.- Estimated net imports or net exports (-) of durum wheat, for 1937-38 with comparisons 1/

Country	Average 1931-32 to 1935-36	1935-36	1936-37 preliminary	1937-38 forecast
	Million bushels	Million bushels	Million bushels	Million bushels
France	11.9	10.3	8.8	8.8
Italy	2.8	1.0	2/ -0.3	2/ -1.8
Morocco	3/	2/ -0.7	1.8	1.8
Algeria	6.8	2/ -8.4	3/	2/ -6.2
Tunisia	2/ -2.9	2/ -4.5	3/	2/ -3.7

1/ Estimated by Paris office of the Bureau of Agricultural Economics.
2/ Net exports.
3/ Not available.

World export prospects

Table 7 shows what seems to be a reasonable expectancy of the quantities of wheat which may be furnished by the various shippers, assuming net exports of 485 million bushels. These estimates are based on present crop estimates and most probable carry-over stocks. As crop estimates are revised or demand prospects change, the estimates will need to be adjusted accordingly. The figures for the Southern Hemisphere countries are especially subject to change before the time of harvest in November through January, changes in which would also affect the figures for the other countries. Present prospective supplies in the United States indicate a surplus available for export considerably larger than 95 million bushels, but it is probable that they will be confined largely to hard red winter and white wheat.

Table 7.- Estimated exports in 1937-38 by countries

Country	Net exports
	Million bushels
Argentina	100
United States	95
Australia	95
Canada	65
Danubian countries	65
Soviet Russia	(30)
North French Africa	20
Others, including India and Turkey, Czechoslovakia, Poland and Sweden	15
Total	485

The quantity of wheat available for export in Europe promises to be considerably reduced this year compared with 1936-37. Not only is the Danube Basin surplus smaller, but Poland and Czechoslovakia, which exported 16 million bushels in the past season, have little wheat for export this year. A somewhat larger quantity than last year is available from North Africa, but this will be almost entirely absorbed by the French market. Approximately the same quantity will probably be available from Turkey and, as last year, will move to Europe. The better crops in the Baltic States and Scandinavia, especially Sweden, should result in some surpluses and perhaps in small exports.

Table 8 shows the estimated net exports from European and North African countries in 1937-38 compared with those of 1936-37. The reduction of about 25 million bushels in export supplies largely offsets the indicated decrease of about 33 million bushels in net import requirements of the other European countries this year compared with last year. Accordingly, the market for overseas and Russian wheat is not reduced as much as seems at first apparent.

If the Danubian countries insist upon a considerable part of the wheat exports being made against strong currencies the quantity may be less than the 65 million bushels shown in tables 7 and 8. In order to dispose of this quantity a strong market for Danubian wheat must continue, or it will be necessary to subsidize exports or return more to special preferential agreements involving compensation trade.

Table 8.- Estimated net exports from European and North African countries, 1936-37 and 1937-38

Country	1936-37	1937-38
	Million bushels	Million bushels
Danubian countries	88	65
Czechoslovakia	10	1
Poland	6	1
Sweden	1/	1
North Africa	11	20
Turkey	5	5
Total	120	93

1/ Less than 500,000 bushels.

Soviet grain exports, of course, are largely dependent upon Government policy and must, therefore, remain to a considerable extent a matter of conjecture. It is not anticipated, however, that exports of grain in general and wheat in particular will be heavy this season. As has been pointed out 4/, the final crop available for utilization ("barn" crop) should show a smaller increase over the preceding years than is indicated by the preliminary official estimate. Furthermore, there is no doubt that following last year's poor crop, government stocks of grain have been considerably reduced and efforts will be made to rebuild and probably to increase such stocks in order to be prepared to meet any economic or political emergency. At the same time the urban population is growing and the increased army tends to increase the requirements for government grain supplies. An increase in livestock numbers called for by government plans should likewise require increasing quantities of grain. Moreover, there seems to be no urgent reason for the Soviet Government, with its improved international financial position, to press export sales this year, and the scarcity and dearness of tonnage may also be a limiting factor. Wheat shipments from southern Soviet ports during the period July 1 - September 17 were 4.5 million bushels this year compared with 4.6 million bushels for the same period in 1935 and 3.2 million bushels in 1933.

Foreign wheat prices

Liverpool and Winnipeg prices during the last part of August continued the decline which started the last half of July. December futures at Liverpool declined from an average of $1.29 for the week ended August 14 to $1.25 for the week ended August 28, while Winnipeg prices declined from $1.25 to $1.19 during the same period. This decline was due largely to a slow European demand and uncertainty regarding the likelihood of significant exports from Soviet Russia.

During the first half of September, Liverpool December futures rose to about mid-August levels, but Winnipeg prices, after rising, declined relative to those of Liverpool; thereby the Canadian price became relatively more favorable for exporting. The December futures at both Liverpool and Winnipeg for the week ended September 11 averaged 5 cents higher than for the week ended August 28. Table 9 shows prices of futures at Liverpool, Winnipeg, and Buenos Aires, together with prices at Chicago, Kansas City and Minneapolis by weeks for the current season.

4/ Page 10.

Table 9.- Average closing prices of December wheat futures, specified markets and dates, 1936 and 1937

Date	Winnipeg 1/		Liverpool 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month												
July	92.5	134.1	98.9	140.3	---	---	105.9	124.6	102.7	120.3	117.5	134.1
Aug.	99.8	122.3	109.7	127.5	---	---	111.3	111.0	112.0	104.8	124.5	119.2
Week ended-												
Aug. 7	104.2	123.3	113.4	131.1	---	---	112.7	114.6	112.9	108.6	126.8	122.7
14	99.6	125.4	109.7	129.0	---	---	110.4	113.4	111.5	107.3	124.0	122.4
21	99.9	122.2	109.8	126.8	106.7 2/	116.9 2/	112.7	110.2	113.9	103.8	125.1	117.4
28	95.8	119.5	106.9	125.0	103.4 2/	115.8 2/	109.7	107.5	109.9	101.2	122.1	116.0
Sept.4	95.3	120.3	108.0	125.4	99.5 2/	115.2 2/	108.7	106.8	108.5	101.2	121.2	114.7
11	99.2	124.9	113.1	130.0	99.0 2/	119.2 2/	111.2	108.6	110.6	102.8	123.2	117.1
High 3/	104.2	138.9	113.4	143.4	---	---	112.7	128.0	113.9	123.8	126.8	138.4
Low 3/	83.8	119.5	90.0	125.0	---	---	99.3	106.8	94.8	101.2	108.5	114.7

1/ Conversions at noon buying rate of exchange.
2/ November futures.
3/ July 1 to date.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carryover of wheat in the United States for the 5-year period (1924-28) averaged about 115 million bushels. Stocks which began to accumulate in 1929 reached the record peak of 378 million bushels in 1933. Four small wheat crops since that time, however, reduced stocks to 103 million bushels by July 1, 1937.

Domestic wheat prices since the spring of 1933-34 to 1936-37 were unusually high relative to world market prices as a result of four small domestic crops caused largely by abnormally low yields per acre. During 1936-37 both world and domestic prices advanced sharply as a result of increased demand and the smallest supplies in recent years.

Domestic supply and disposition prospects

A total wheat crop of 886 million bushels in the United States was indicated by the September 1 crop report. This is only 4 million bushels less than indicated by the August report. (See table 10.) The prospective utilization has been increased since the August issue largely to allow for additional wheat for feeding. Probable exports have been reduced, and probable carry-over increased.

Table 10 indicates that supplies of hard red spring and durum wheats are ample to take care of prospective requirements, and that there will be surplus supplies of hard and soft red winter and white wheats over domestic requirements. A carry-over of around 200 million bushels, while larger than that of the past 3 years, falls far short of the 1930-34 average of 326 million bushels.

The figures in table 10 are in terms of 60-pound wheat and, therefore, take into consideration that hard red spring wheat is running light in test weight. 5/ Some substitution of heavy hard red winter wheat for hard red spring wheat may be expected. The actual utilization by classes will depend, of course, on a number of factors, two of which are the relative prices of the different classes of wheat and the prices of wheat relative to feed grain prices and supplies in the various sections of the country, especially during the period prior to the new corn harvest.

5/ Table 14 shows quality of the 1937 wheat crop, based on inspection at representative markets.

Table 10.- Estimated prospective wheat supplies and distribution by classes for 1937-38, on basis of prospects, September 1937

Item	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
July 1, 1937 stocks	1/ 45	15	18	3	10	91
Production	375	258	115	28	110	886
Total	420	273	133	31	120	977
Prospective utilization	285	206	108	26	55	680
Difference	135	67	25	5	65	297
Forecasted exports 2/	70	0	0	0	25	95
Prospective carryover, July 1938	65	67	25	5	40	202

1/ An estimated 12 million bushels of new hard red winter wheat in July 1 stocks not included.
2/ Includes flour in terms of wheat.

Domestic wheat prices

Wheat prices in domestic futures markets during the last half of August, influenced by the same factors as prices in the Liverpool market 6/, continued the decline which started in July. The December future at Chicago, however, averaged 6 cents lower for the week ended August 28 than for the week ended August 14, while the Liverpool price averaged only 4 cents lower.

During the first half of September Liverpool advanced while the weekly average for Chicago changed little, thereby widening the spread between the two markets. The December future at Liverpool averaged 5 cents higher for the week ended September 11 than for that ended August 28, while Chicago averaged only 1 cent higher. For the week ended September 11 the December Chicago future averaged 21 cents below Liverpool. More recently the spread has widened, at least temporarily, another 5 cents or more. Based on past export and spread relationships this spread is wide enough to result in substantial exports, even though that present freight rates are high. Ocean freight space, however, has been scarce, and importing countries have refrained from purchasing while awaiting a more definite appraisal of Southern Hemisphere crops and Russian shipments. Spreads of cash prices as well as futures of Winnipeg and Liverpool over domestic markets are shown in table 11.

Cash prices in domestic markets with the exception of durum wheat, which declined during the first half of September, changed much the same as futures prices at Chicago. Average weekly prices in the various domestic markets are shown in table 13.

6/ See page 15 for discussion and tables 9 & 12 covering foreign wheat prices.

Table 11.- Spreads between domestic wheat prices and prices at Winnipeg and Liverpool, specified periods, 1934-37

Month and year	December futures per bushel: Amount Chicago averaged above		December futures per bushel: Amount Kansas City averaged above		Cash wheat per bushel: Amount No.2 Hd. Winter (Kansas City) averaged above	
	Winnipeg	Liverpool	Winnipeg	Liverpool	No. 3 Manitoba (Winnipeg)	Parcels (Liverpool)
	Cents	Cents	Cents	Cents	Cents	Cents
July						
1934	12	15	6	9	15	17
1935	---	13	---	12	26	19
1936	13	7	10	4	23	11
1937	-10	-16	-14	-20	-16	-21
Aug.						
1934	16	13	12	9	23	13
1935	---	12	---	13	28	18
1936	12	2	12	2	25	7
1937	-11	-16	-18	-23	-10	-23
Week ended Sept. 11						
1934	19	17	16	14	28	1/
1935	4	6	8	9	30	1/
1936	12	-2	11	-2	26	1/
1937	-16	-21	-22	-27	-9	1/

1/ Liverpool parcels not available.

Table 12.- Average price per bushel of wheat, specified markets and dates, 1937

Date	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month							
July	122.5	151.2	138.9	126.0	143.7	129.8	223.0
Aug.	111.8	132.8	121.9	124.1	126.9	125.4	213.9
Week ended							
Aug. 7	113.2	139.0	123.6	125.5	130.0	132.4	208.0
14	111.8	137.4	126.0	123.1	128.2	130.2	216.0
21	108.9	129.8	121.8	123.2	125.9	122.5	215.5
28	107.8	130.3	118.3	124.3	124.7	116.7	216.0
Sept. 4	107.9	130.2	117.7	125.0	125.3	114.1	
11	112.2	138.1	121.0	128.0	129.6		

Prices are averages of daily prices for the week ending Saturday except as follows: Berlin prices are Wednesday quotations. Prices at foreign markets are converted to United States money at the current rates of exchange.
1/ No. 2 Hard Winter. 2/ No. 1 Dark Northern Spring. 3/ No. 3 Manitoba Northern. 4/ Near futures. 5/ Home-grown wheat in England and Wales.
6/ Central German wheat, wholesale trade price free Central German Station.

Table 13.- Weighted average cash price of wheat, specified markets and dates, 1936 and 1937

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	Western White Seattle 1/					
	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -												
July	109.7	118.7	111.0	122.5	135.5	151.2	142.7	133.0	105.6	122.0	89.8	110.0
August	126.6	107.5	122.0	111.8	146.6	132.8	149.1	116.3	117.4	112.0	97.2	98.3
Week ended:												
Aug. 7	127.3	106.6	121.8	113.2	150.0	139.0	165.8	137.5	116.4	113.6	97.2	102.1
14	128.3	106.6	121.7	111.8	144.3	137.4	148.2	123.5	117.8	111.2	97.0	101.2
21	127.3	107.2	125.6	108.9	143.7	129.8	144.4	120.9	120.3	109.4	99.7	97.4
28	121.1	109.7	120.5	107.8	143.4	130.3	143.0	114.8	117.3	106.8	95.6	94.2
Sept. 4	119.0	108.9	118.6	107.9	139.6	130.2	---	113.0	114.2	107.4	93.4	94.6
11	122.1	110.8	122.5	112.2	143.5	138.1	140.1	112.8	117.7	111.1	94.2	95.5
High 2/	128.3	123.0	125.7	125.3	150.0	156.2	165.8	148.1	120.3	128.1	99.7	116.6
Low 2/	99.4	106.6	100.3	107.8	124.5	129.8	125.4	112.8	96.5	106.8	81.8	94.2

1/ Weekly average of daily cash quotations, basis no. 1 sacked.

2/ July 1 to date.

Table 14.- Exports of wheat and wheat flour from the United States, 1936 and 1937
(Includes flour milled in bond from foreign wheat)

Period	Wheat		Wheat flour		Wheat including flour	
	1936	1937	1936	1937	1936	1937
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July	26	2,145	290	264	1,389	3,385
Week ended -						
Aug. 7	0	758	42	48	197	984
14	5	1,484	7	45	38	1,529
21	23	1,058	28	48	155	1,284
28	154	1,343	26	28	276	1,475
Sept. 4	111	403	35	44	275	610
11	0	269	40	71	188	603

Compiled from reports of the Department of Commerce.

Table 15.- Quality of the 1937 wheat crop
(Based on inspected receipts at representative markets, July 1 to August 31)

Grade	Hard red winter wheat		Soft red winter wheat		White wheat		Hard red spring wheat		Durum wheat	
	Sub-class	Per-cent	Sub-class	Per-cent	Sub-class	Per-cent	Sub-class	Per-cent	Sub-class	Per-cent
	Dark hard winter	57	Red winter		Hard white	66	Dk. No. spring	97	Hd. amber durum	100
	Hard winter	43			Soft white	23	Northern spring	3	Amber durum	0
	Yellow hard winter	0			White club	9	Red spring	0	Durum	0
					Western white	2				
1		38		1		54	No.1 Heavy	5		43
							No.1	8		
2		27		17		42		9		30
3		15		32		4		28		13
4		12		23		0		19		7
5		6		16		0		17		5
Sample		2		11		0		14		2
Special grades:										
Tough		0		17		0		0		0
Smutty		2		3				2		0
Smut dockage						7				
Garlicky				30						

Table 16.- Shipments of wheat, including flour from principal exporting countries, specified dates, 1936 and 1937

Period	Argentina		Australia		Danube		North America	
	1936	1937	1936	1937	1936	1937	1936	1937
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	5,416	3,168	4,164	5,684	2,008	1,376	26,376	10,040
Week ended-								
Aug. 7	588	888	960	1,812	640	472	6,848	2,512
14	1,060	876	1,888	1,472	712	584	5,648	2,560
21	892	856	1,292	916	1,080	960	6,008	4,072
28	620	968	1,192	1,444	1,308	1,520	5,320	2,848
Sept.4	808	996	1,356	836	1,336	712	5,104	2,160

Compiled from Broomhall's Corn Trade News.

Table 17.--Movement of wheat, including flour, from principal exporting countries, 1934-35 to 1937-38

Country	Exports as given by official sources: Total			July 1 to date shown			Date
	1934-35	1935-36	1936-37	1935-36	1936-37	1937-38	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	21,532	15,929	21,584	1,231	1,389	3,385	July 31
Canada	169,630	237,447	213,028	34,329	50,817	17,954	Aug. 31
Argentina	187,000	76,577	162,085	22,274	8,527	7,365	Aug. 31
Australia	108,007	102,258	95,970				
Russia	4,286	29,704	4,479				
Hungary	12,499	14,644	27,428				
Yugoslavia	4,401	728	17,302				
Rumania	3,432	6,391	35,540				
Bulgaria	375	988	7,273				
British India	2,318	2,556	1/13,087				
Total	513,480	487,222	597,776				

	Shipments as given by trade sources: Total		Week ended (1937)			July 1-Sept.11	
	1935-36	1936-37	Aug.28	Sept. 4	Sept.11	1936-37	1937-38
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North American 2/	220,464	225,902	2,848	2,160	2,105	60,928	26,2[illegible]
Canada, 4 markets 3/	246,199	194,531	939	1,132	2,648	54,711	13,392
United States	7,219	10,049	1,475	610	603	1,696	9,410
Argentina	78,312	164,678	968	996	893	10,720	8,645
Australia	110,576	105,836	1,444	836	942	11,812	13,106
Russia	29,024	88	456	768	1,680	0	3,176
Danube & Bulgaria 4/	8,312	65,544	1,520	712	1,144	11,136	6,768
British India	5/2,556	1/5/13,087	248	928	456	608	6,104
Total 6/	449,244	575,135				95,204	64,096
Total European shipments 2/	360,264	484,600	5,664			7/ 55,272	7/ 40,736
Total ex-European shipments 2/	131,760	127,192	2,168			7/ 26,240	7/ 13,368

1/ Total of 10 months.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Official.
6/ Total of trade figures includes North America as reported by Broomhall's, but does not include items 2 and 3.
7/ To August 28.

THE RYE SITUATION

BACKGROUND.- Rye production in the United States before the War about equaled domestic utilization. During the War, acreage was increased and large exports followed. In 1933, 1934, and 1936, production was reduced by drought conditions to less than the amount normally used in the United States, and a considerable amount of rye was imported. A large crop in 1935 greatly reduced but did not eliminate imports. On the basis of prospective utilization and carry over, around 15 million bushels are available for exports or for addition to the carry-over in 1937-38.

World rye production

The 1937 rye crop in the 25 European countries for which reports are now available is indicated to be about 806 million bushels, or 40 million bushels less than the small 1936 crop. This production is the lowest since the very small harvest of 1931. The reduced crop is the result of unfavorable weather during the growing season and considerable winter damage, especially in the two most important producing countries, Germany and Poland.

The first official estimate of the rye production in Germany places the crop at 266 million bushels, which is 8 percent below the 1936 production and 14 percent less than average production for the past 5 years. Production in Poland is officially estimated at 219 million bushels, or 12 percent less than that of last year. The Czechoslovakian crop is estimated at 57 million bushels, which is about the same as the crop produced last year but is 17 percent below the average of the past 5 years. The quality of the Czechoslovakian crop is reported to be good. There seems to be little question that the rye crop in Russia is considerably larger than that of 1936. The first official estimate for Canada places the crop at 6.0 million bushels compared with the 1936 production of 4.3 million bushels.

The rye export situation

The European surplus of rye is very much reduced this year, particularly as a result of the smaller crop in Poland and the Danube area.

Poland, which is usually the most important rye exporter, has no real surplus this year though it is possible that small quantities will be exported at the expense of domestic needs in order to relieve market congestion during the heavy fall marketing period, and in order to help somewhat in the present unfavorable foreign trade outlook for 1937-38. An exportable surplus from the Danube region of around 7 million bushels is estimated compared with exports during the past season of about 10 million bushels. Small quantities may be available from the Baltic States and from Soviet Russia. With reduced European supplies, unless Soviet Russia unexpectedly enters the export market in volume, significant exports from the United States are probable this year.

Table 18.- Estimated rye production in specified countries, 1934-37

Country	1934	1935	1936	1937
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	17,070	58,597	25,554	51,869
Canada	4,706	9,606	4,281	6,038
Total (2)	21,776	68,203	29,835	57,907
Austria	22,617	24,416	18,129	1/ 16,700
Belgium	15,268	12,995	14,060	12,795
Bulgaria	6,438	7,767	7,980	9,778
Czechoslovakia	55,970	64,501	56,549	56,965
Denmark	10,801	11,177	7,842	9,645
Estonia	9,064	6,804	6,044	8,031
Finland	15,544	13,760	12,755	14,944
France	32,983	29,371	28,150	29,526
Germany	299,496	294,399	2/290,788	2/266,481
Greece	2,466	2,183	1,919	2,986
Hungary	24,380	28,650	28,114	25,348
Irish Free State	66	69	68	79
Italy	5,607	6,225	5,204	5,752
Latvia	16,210	14,326	11,260	16,180
Lithuania	26,331	25,221	21,314	22,833
Luxemburg	548	452	449	488
Netherlands	19,788	18,311	19,059	18,188
Norway	395	483	425	433
Poland	254,472	260,498	250,541	219,279
Portugal	4,913	4,635	3,466	4,642
Rumania	8,308	12,724	17,842	17,393
Spain	21,567	19,245	18,053	19,684
Sweden	20,351	16,902	13,891	17,125
Switzerland	1,225	1,252	1,077	1,213
Yugoslavia	7,688	7,719	10,161	3/ 9,448
Total (25)	882,496	884,085	845,140	805,936

1/ Estimate of the Berlin Office of the Bureau of Agricultural Economics.
2/ Includes the Saar.
3/ Includes meslin.

The reduced rye crop affects both the wheat situation and the feed situation adversely as far as Europe is concerned. In central Europe, particularly, it tends to cause a tighter bread grain situation, and in all countries where rye is usually fed to any extent, the reduced supplies will probably cause a shift to other feeds such as barley, corn, and root crops. Some central European countries, notably Germany, Poland, and Czechoslovakia, appear to be regarding rye more exclusively as a bread grain than formerly, and if necessary may favor it at the expense of wheat. This is believed to be due partly to the smaller crop this year but also largely as a measure of insuring national sufficiency in bread grains. Fixed prices for rye in both Germany and Czechoslovakia for the coming season have been raised more in line with wheat, and thus from a price standpoint make rye unprofitable for feeding.

Rye prices

Cash rye prices continued irregularly downward during July and August influenced principally by increased offerings from the large 1937 crop. The weekly average price of No. 2 Rye at Minneapolis declined from the spring peak of $1.17 per bushel for the week ended April 10 to 74 cents for the week ended August 28. In early September cash rye prices made some improvement, largely as a result of smaller marketings and a good cash demand. Demand from domestic millers continued active and the export demand has improved since the removal of the import duty on rye to Belgium. The average price of No. 2 Rye at Minneapolis for the week ended September 11 was 78 cents per bushel.

The average price received by producers in the United States as of August 15 was 70.6 cents per bushel compared with 81 cents for July and 75.1 cents for August last year. Although the August farm price this year was lower than for any of the previous 12 months it was nearly double the price of 2 years ago, and was the highest for that month since 1929, with the exception of the two drought years 1934 and 1936.