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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS

The world's supply of wheat as of March 1 was probably about 200 million bushels less than the supply available a year ago but a reduction in demand and a world-wide decline in the general price level have depressed prices below the level of a year ago when the supply was unusually large. The supplies remaining in the United States are a little larger, but Canadian supplies are smaller, and the supplies in the Southern Hemisphere countries much smaller than a year ago. The available supply of wheat in Europe is probably less than a year ago. France probably has a larger supply than a year ago, but Germany and the Balkan countries have smaller supplies. Stocks at Liverpool are rather large but at most of the continental European ports the wheat stocks are only moderate. The wheat and flour stocks in the Orient are low.

Wheat has been disappearing from the terminal markets of the United States at a fairly rapid rate since the last week of October. By March 15 the visible supply had been reduced from about 203 million bushels to 157 millions, a reduction of 46 million bushels, but this visible supply is still 30 million bushels larger than a year ago. Farm stocks March 1, were estimated to be about 129 million bushels, or 22 millions less than a year ago, which partly offsets the larger visible supply. Stocks in mills and elevators may also be somewhat larger, so that the total supply within the United States is probably a little larger than a year ago.

The location of stocks of wheat in the United States indicates that the supplies of winter wheat are probably larger but the stocks of spring wheat may be smaller than a year ago. A larger crop of soft red winter wheat has naturally resulted in the supplies of that class of wheat remaining on farms being a little larger than a year ago. But there is no evidence of a surplus over usual domestic requirements of this class of wheat. The supplies of durum and hard red winter are of course more than sufficient to meet domestic requirements. The supply of hard red spring is probably sufficient to meet domestic requirements and provide a moderate carryover into the next season.

The weekly exports since the first of January have averaged a little larger than last year. Should exports continue on about the same level for the remainder of the season, the carryover in the United States would be reduced by a small amount. Since the supplies in Argentina are much less than a year ago, it appears probably that foreign countries will take somewhat more wheat from the United States than they took in the corresponding period a year ago.

The foreign demand for our wheat continues disappointingly weak. Apparently many of the deficit countries are continuing to buy on a "hand to mouth" basis. Stocks at foreign ports except British ports are only moderate. The United Kingdom had accumulated relatively large supplies at ports, but they are now being reduced.

Crop reports are now becoming an important factor in the wheat market situation. It is too early to make very definite estimates of probable production in the coming season. Areas seeded in countries reported to date are slightly less than in the same countries a year ago. Several of the European countries have reduced their wheat areas but the total reduction in Europe is not likely to be large. The conditions of the growing crops are generally reported to be fair to good but it hardly seems likely that European crops outside of Russia will be as large as in the past season. The same may be said of the crops of North Africa. India is beginning to harvest a new crop. Reports to date indicate that the area may be slightly smaller but yields may be slightly better than a year ago. It is not likely, however, that the crop will be large enough to provide a significant exportable surplus. At the most, it will take India out of the market for wheat from other countries and small amounts may be shipped early in the season.

Winter wheat: Acreage, average 1909-1913, annual 1927-1930

Country	Average	1927	1928	1929	1930	Percentage
	1909- 1913					1930 is of 1929
	1,000	1,000	1,000	1,000	1,000	
	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>Per cent</u>
United States.....	a/32,702	43,373	47,317	42,820	43,690	102.0
Canada.....	a/ 1,019	979	1,033	885	809	91.4
Europe (7).....	43,786	37,720	38,689	38,270	37,953	99.2
North Africa (3)....	6,531	7,017	7,987	7,857	7,971	101.5
India b/.....	29,224	31,184	31,332	31,159	29,871	95.9
Total, 13 countries	113,262	120,273	126,358	120,991	120,294	99.4

a/ Four-year average.

b/ Second estimate.

Table 1.--WHEAT INCLUDING FLOUR: Net exports from principal exporting countries, 1928-29 and 1929-30

Country	Preliminary		Net exports		
	1928-29	estimates	July 1	1928-29	1929-30
	1929-30		to		
	Million bushels	Million bushels		Million bushels	Million bushels
United States.....	142	165 - 175	Mar 8	108	110
Canada.....	421	200 - 220	Jan 31	304	116
Hungary.....	24	20 - 24	Oct 31	7	13
Yugoslavia.....	8	20 - 25	Dec 31	6	19
Argentina.....	217	180 - 195	Mar 8	126	129
Australia.....	108	65 - 75	Mar 8	70	42
Total.....	920	650 - 714		621	429

#### Wheat prices

Wheat prices have turned upward after reaching a low level, in some markets lower than the lowest point reached in the previous season. The average price of all classes and grades at six markets in the United States fell to 102 cents per bushel. The price of No. 2 hard red winter in Kansas City averaged one dollar per bushel and No. 2 amber durum at Minneapolis fell to an average of 94 cents in the week ended March 14. The average prices of hard red spring wheat at Minneapolis and soft red winter wheat at St. Louis held a good margin above the prices of other classes of wheat, but they also fell to a low level. Prices in Buenos Aires and Liverpool fell to a low level. Both Liverpool and Buenos Aires futures were below Chicago. The Liverpool futures were in line with Buenos Aires prices or the value of Argentine wheat in Liverpool. It is also of interest to note that the May future in Winnipeg, which calls for delivery of No. 1 Manitoba, fell below the May future in Minneapolis, which calls for the delivery of No. 1 northern. Since No. 1 dark northern spring remained considerably above the Minneapolis future, and the Minneapolis future was above the price of the May future in Winnipeg, it is evident that the tariff became effective in maintaining hard spring wheat prices in the United States.

For some time the prices of domestic wheat in European markets have been rising relative to the prices in the markets of the United States. It is of particular interest to note the relative improvement in prices in Austria and Hungary. This seems to indicate that little competition from the Danube countries is to be expected in the remainder of the season. Germany has again raised duties upon wheat and flour to protect her domestic wheat and rye markets. This is likely to increase prices in Germany without increasing the demand for wheat from foreign countries. A marked rise in world wheat prices, however, probably would result in Germany lowering her duties.

The recent drop in wheat prices has been due in large part to a general decline in commodity prices. Under such conditions there is a tendency for prices to fall because they are falling. Nobody wants to stock up until the price decline has run its course. Everybody waits for the turn. As soon as it becomes evident that the price decline has run its course, the market strengthens.

Table 2.--WHEAT PRICES

Closing prices per bushel of May futures

Week ended	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires <u>a/</u>	
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan 2:	119	135	111	127	112	134	121	146	132	146	b/110	b/127
9:	121	132	114	125	115	132	124	141	134	142	b/109	b/120
16:	123	127	116	120	118	127	126	132	135	138	b/110	b/117
23:	129	128	121	121	122	128	129	135	136	137	b/112	b/117
30:	127	120	120	114	121	120	129	126	135	132	115	118
Feb 6:	127	121	119	113	121	120	129	126	136	126	115	114
13:	133	123	124	116	126	123	134	128	136	129	117	113
20:	133	113	125	106	127	114	135	114	136	117	116	104
27:	129	113	121	105	123	114	131	117	134	119	115	104
Mar 6:	127	112	119	103	122	110	130	112	133	115	114	106
13:	130	108	122	98	124	106	131	104	134	107	114	97
20:	127	110	119	101	122	108	129	110	131	110	111	c/ 97

a/ Prices are of day previous to other prices. b/February futures.  
c/ Tuesday's price.

Weighted average cash prices per bushel  
at stated markets, United States

Week ended	All classes and grades six markets		No. 2 Hard winter	No. 1 Dk.n.spring	No. 2 Amber durum	No. 2 Red winter	Western white					
	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle <u>a/</u>	1929	1930	1929	1930			
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents			
Dec 6:	109	130	113	125	124	136	117	128	143	136	116	128
13:	107	122	111	120	121	130	107	124	141	132	117	124
20:	107	120	111	118	123	128	110	119	137	132	118	122
27:	106	123	110	122	120	132	109	122	135	135	116	124
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
Jan 3:	105	126	108	125	123	136	111	124	135	137	115	126
10:	108	123	108	121	125	133	---	122	141	136	116	126
17:	115	121	114	118	130	131	122	118	141	134	118	123
24:	118	122	119	118	132	131	138	119	142	133	120	123
31:	117	118	117	114	131	127	132	115	144	129	118	120
Feb 7:	117	117	117	112	134	125	132	111	139	123	118	116
14:	119	119	118	113	136	126	129	112	141	127	121	117
21:	120	115	120	112	139	125	130	104	145	121	123	112
28:	117	114	118	112	136	125	126	100	138	118	121	107
Mar 7:	115	111	117	106	132	120	129	98	135	120	118	b/109
14:	117	102	119	100	132	113	123	94	139	119	121	109

a/ Weekly average of daily cash quotations basis No.1 sacked 30 days delivery.  
b/ Average for 5 days.

Table 2.--WHEAT PRICES, Cont'd

Liverpool prices per bushel

Week ended	Near futures close	No.1 N. Manitoba	No.3 N. Manitoba	No.2 hard winter shipping	Rosafe 63 <sup>1</sup> / <sub>2</sub> lb
	Cents	Cents	Cents	Cents	Cents
1929-30					
Dec 6.....	137	162	156	143	140
13.....	133	158	152	136	186
20.....	132	156	149	135	132
27.....	134	157	151	136	135
Jan 3.....	144	162	157	146	139
10.....	139	156	a/ 153	142	137
17.....	130	152	a/ 147	137	133
24.....	132	151	145	136	131
31.....	123	146	140	132	132
Feb 7.....	123	144	137	128	127
14.....	122	143	135	127	123
21.....	115	136	128	126	117
28.....	113	130	125	120	116
Mar 7.....	112	126	124	120	b/ 113

a/ Afloat.

b/ 63 pounds.

The supply of wheat in the United States

The stocks of wheat in store and afloat at markets reported to the Bureau as of March 1 totaled 161 million bushels, compared with 126 millions a year ago. According to Bradstreets, the visible supply of wheat in the United States, March 1, amounted to 165 million bushels, 35 millions in excess of the visible supply on March 2, 1929. Bradstreet's are here quoted for analysis because of the fact that they are published in detail by markets. It is of interest to note where the stocks are larger than a year ago, and especially in relation to the supply of the different classes of wheat.

There are large stocks of wheat at Minneapolis and Duluth, but the stocks on March 1 were only 4 million bushels in excess of a year ago. The increase is in hard red spring wheat at Minneapolis, where this class of wheat amounted to nearly 21 million bushels on March 1 compared with 16 millions a year ago. Duluth has a little more hard red spring wheat but a little less durum than a year ago. The durum stocks at Duluth and Minneapolis totaled 12 million bushels as compared with 13 million a year ago, whereas the hard red spring totaled 33 million compared with 27 millions a year ago.

Chicago also has a large accumulation of wheat, 9 million bushels in excess of the stocks of a year ago. Data are not available to show the character of these stocks except in public elevators, which at the beginning of March held about one-half of the visible supply at Chicago. Hard red winter

wheat made up over 90 per cent of the wheat in public elevators and the stock of this class of wheat was 4 million bushels in excess of a year ago. The holdings of soft red winter were very small, but a little larger than a year ago. Stocks of spring and durum wheat were also small and smaller than a year ago.

Grouping the Southwest and Gulf Port terminal markets which have only hard winter or but very little, if any, wheat of other classes, we find the holdings about 9 million bushels over a year ago. The interior soft winter wheat markets have only slightly more wheat than a year ago. The larger stocks at Buffalo and Atlantic ports probably include some spring and durum with winter wheats.

While it is impossible to determine accurately the changes in the stocks of the different classes of wheat, from the above analysis it seems that most of the increase in stocks over those of a year ago is in hard winter wheat. Possibly the spring wheat holdings at terminal markets have been increased by about 8 or 10 million bushels. The increase at Buffalo is probably largely spring wheat and increases at some other points which can not be definitely classified may include some spring wheat.

Table 3.--WHEAT, DOMESTIC: Stocks in store and afloat, United States markets

Week ended	1928-29	1929-30
	Million bushels	Million bushels
Oct 26.....	138	203
Nov 30.....	140	190
Dec 28.....	144	195
Jan 4.....	142	182
11.....	139	179
18.....	135	175
25.....	133	171
Feb 1.....	130	168
8.....	127	164
15.....	126	164
22.....	126	161
Mar 1.....	126	161
8.....	127	<sup>a/</sup> 159
15.....	126	157

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

<sup>a/</sup> Preliminary.

Farm stocks

Farmers' reports to the Department of Agriculture indicate that farm stocks of wheat on March 1 amounted to about 129 million bushels, as compared with 151 million a year ago, and a five-year average of 122 million bushels. The farm stocks amounted to only 16 per cent of the crop, as compared with 16 $\frac{1}{2}$  per cent a year ago and a five-year average of 15.1 per cent.

The farm stocks are larger than a year ago in the soft red winter wheat producing States and smaller in all the other States. In the four principal hard spring and durum wheat producing States stocks were about 38 million bushels, as compared with 62 millions on March 1 last year and 54 millions two years ago. This reduction in farm stocks more than offsets the increase in terminal markets. Allowing for the possibility of some increase in the country mill and elevator stocks, it is quite possible that the supply of hard red spring and durum wheats in the United States is smaller than a year ago. The farm stocks in six principal hard red winter wheat producing States amount to about 39 million bushels, 13 millions less than a year ago. This reduction is not sufficient to offset the increase in terminal stocks, and the supply of hard red winter wheat in the United States is probably a little larger than a year ago.

The same may be said of soft red winter wheat. The 1928 crop was very short, and there was very little soft red winter wheat left over on farms at the end of the season. With a larger crop, some increase in holdings was to be expected. The increase of soft red winter wheat in terminal markets is small, but most of this class of wheat moves directly to mills without appearing in the terminal markets. Mills probably have larger stocks of this class of wheat than a year ago. There is, however, no evidence of a surplus of soft red winter wheat over the usual domestic requirements for this class of wheat.

Storage capacity

The experiences of the past season with congestions at terminal markets have stimulated our interest in grain storage facilities. No complete survey of the grain storage facilities of the country has been made. Reports made in the past few months have accounted for a considerable part of the grain storage space, and it may be of interest to summarize these reports.

The Census Bureau of the Department of Commerce has just issued a report of the capacity of elevators, mill buildings, warehouses and other facilities owned or operated by flour milling establishments on January 1, 1930. The report represents, 1,057 mills, which manufactured 93.9 per cent of the total output of wheat flour reported in the Biennial Census of Manufactures, 1927. The total capacity as reported follows:

Total capacity owned or operated by	<u>Million bush</u>
1,057 mills . . . . .	229
Elevators, mill and private terminal	183
Elevators, country . . . . .	30
Mill buildings, warehouses; and other facilities . . . . .	16

Apparently these mills own and operate storage capacity to hold wheat sufficient for operating about 70 (24-hour) days' grinding. In the past few years merchant mills have ground on the average 557 million bushels annually. It appears, therefore, that the working capacity of the elevators owned and operated by mills is sufficient to hold about 40 per cent of a year's grindings. According to wheat stock reports to the Census Bureau as of December 31, the capacity owned and operated by mills was just a little more than half filled, the mills holding at that time about 125 million bushels of wheat in elevators, most if not all of which may have been in control of or operated by the mills.

A survey of elevator capacity at principal market centers was made in August, 1929, by the Bureau of Agricultural Economics. According to this survey the capacity of public storage at principal markets was equal to the storage owned and operated by the mills reporting to the Census, about 229 million bushels. Space classified as private but not mill storage provided in addition 128 million bushels. It is possible that a small part of this private storage was owned and operated by mills. Adding the public and private to the mill storage capacity provides a total capacity of about 550 to 580 million bushels, in principal markets and mills. During the past season the public and private terminal elevators at the several different market centers have been about filled to their working capacity for periods of some length. At the present time public storage facilities at some markets are well filled.

No comprehensive survey has been made of country storage facilities. The report on "The Disparity Between Wheat Prices in Canada and in the United States and the Grain Storage Situation", released November 22, 1929 by the Bureau of Agricultural Economics, included a statement of local storage space in the principal spring wheat States. According to that report the local elevators licensed by the Railroad and Warehouse Commissions of Minnesota, North Dakota and Montana had a total storage capacity of about 97 million bushels. Plans are now being developed by the Bureau of Agricultural Economics for a survey of local elevators in all the principal surplus wheat producing States. This survey is to be completed early in the season and will add materially to our knowledge of the grain storage capacity of the country.

Report of stocks of all grain at principal markets as of March 8, 1930

Stocks

Visible stocks of all grain in public elevators increased in Kansas City and Duluth during the week ended March 8. Decreases occurred in public elevator stocks at Minneapolis and Buffalo, while private elevator stocks at these points remained unchanged. At Chicago stocks in both public and private elevators remained unchanged. Elevator space remaining unfilled at certain markets is shown in the following table:

	Unfilled space <u>1,000 bushels</u>	<u>Percentage of total</u>
Chicago	19,350	35.9
Kansas City <u>a/</u>	1,360	5.0
Minneapolis	14,206	19.1
Duluth <u>a/</u>	7,284	17.0
Buffalo	9,098	30.3

a/Public elevators only.

Receipts

Receipts of wheat at Duluth during the week were larger than for any week this year (1930). Receipts at Kansas City and Minneapolis for the week were about the same as for the previous week. Receipts at these two latter markets have been at a relatively high level since February 1.

Utilization of wheat in the United States during the first 8 months of the season appears to have been about in line with the average for the past few years. Estimating for February, it appears that new grindings in these 8 months probably amounted to about 385 million bushels compared with about 386 million bushels in the previous 5 years. The supply of wheat in the country was about 1,058,000,000 bushels as compared with 1,064,000,000 the previous season. Apparently the amount of winter wheat used in the fall seedings was slightly a little larger, whereas the grindings were a little less than a year ago. Since net exports have been about the same the appearance of slightly larger supplies as of March 1 indicates that the disappearance for feed and otherwise may have been slightly less than in the previous season. The wheat remaining in the country available for export and carryover as of March 1 probably amounted to about 280,000,000 as compared with 282,000,000 bushels a year ago.

Table 4.--Total wheat ground in merchant mills in the United States, 1924-1929 a/

Year beginning July	July 1 - Feb 28								Mar 1	July 1	
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total	June 30	June 30
	Mil- lion bush										
1924 . . . . .	44	51	54	59	47	46	51	42	394	148	542
1925 . . . . .	45	48	51	56	47	46	45	38	376	161	537
1926 . . . . .	48	53	54	54	48	45	43	40	385	171	556
1927 . . . . .	42	48	52	54	49	46	47	45	383	175	558
1928 . . . . .	43	51	52	57	49	46	49	44	391	177	568
1929 . . . . .	46	54	51	54	47	44	<u>b/46</u>	<u>c/43</u>	385		

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

b/ Preliminary.

c/ Estimated.

Table 5.--FLOUR: Supply and distribution in terms of wheat

Item	July 1 - Feb 28		
	1927-28	1928-29	1929-30
	Million bushels	Million bushels	Million bushels
Supply:			
Stocks, July 1 <u>a/</u> .....	39	29	36
Mill grindings (commercial mills) <u>b/</u> .....	383	391	(385)
Mill grindings (custom and small mills) <u>c/</u> .....	8	8	8
Total available supply.....	420	428	431
Accounted for:			
Exports.....	44	41	41
Stocks, end of period.....	33	35	<u>d/</u> 36
Total accounted for.....	77	76	77
Available for consumption.....	343	342	354

a/ Russell's Commercial News as published in Survey of Current Business.

b/ Census monthly returns raised to 100 per cent of the Biennial Censuses of 1923, 1925 and 1927.

c/ A minimum estimate of small commercial mills and custom mills.

d/ Estimated.

#### Inspected receipts by classes

Inspected receipts through the months reported seem to be in line with the early estimates of production by classes. See Foreign News on Wheat for January, 1930, FS/WH-45, page 13. The inspections of hard red spring and durum wheats were considerably less than a year ago, as indicated by estimates of production. Inspections of hard red winter, on the other hand, were larger, whereas the indicated production was slightly smaller than a year ago. This increase in inspections may be accounted for by the fact that the crop has been marketed rapidly. Only a small proportion of the soft red winter wheat appears at inspection points. The increase in inspections is approximately in line with the indicated increase in production. Large stocks at the beginning of the season offset in large part the reduction in production of hard red spring and durum wheats. As indicated above, it is probable that we still have a surplus of hard red winter, durum and probably white wheats, but the supply of soft red winter and hard red spring seems to be only about sufficient for ordinary domestic requirements.

Table 6 - Receipts of inspected wheat, all inspection points, by classes, July-January, 1928 and 1929

Month:	Hard red	Durum	Hard red	Soft red	White	Mixed	Total
	spring		winter	winter			
	Cars	Cars	Cars	Cars	Cars	Cars	Cars
July:	4,120:	980:	91,490:	8,732:	2,158:	4,433:	111,913
Aug :	9,165:	2,531:	64,482:	9,225:	5,229:	6,324:	96,956
Sept:	27,767:	12,746:	29,808:	3,099:	4,891:	9,987:	68,298
Oct :	36,062:	12,459:	26,068:	2,516:	4,533:	8,589:	90,227
Nov :	25,349:	6,301:	17,459:	1,195:	1,669:	4,482:	56,455
Dec :	16,314:	4,170:	19,270:	1,547:	2,554:	3,463:	47,318
Jan :	8,936:	2,259:	15,732:	980:	1,972:	2,123:	32,002
Total:	127,713:	41,446:	264,309:	27,294:	23,006:	39,401:	523,169
Total:							
in :	166,026,900:	53,879,800:	343,601,700:	35,482,200:	29,907,800:	51,221,300:	680,119,700
bush:							

1929

July:	9,361:	2,246:	126,937:	14,302:	3,012:	5,197:	161,055
Aug :	14,621:	3,833:	73,057:	12,482:	6,060:	7,520:	117,593
Sept:	19,260:	3,871:	26,444:	3,261:	4,725:	5,702:	63,263
Oct :	12,062:	2,817:	20,741:	1,879:	2,446:	4,305:	44,250
Nov :	6,345:	1,600:	11,676:	1,540:	1,762:	2,073:	24,996
Dec :	6,282:	1,885:	16,977:	1,750:	2,280:	2,297:	31,471
Jan :	3,889:	1,344:	12,263:	1,238:	1,881:	2,047:	22,662
Total:	71,820:	17,596:	288,095:	36,452:	22,186:	29,141:	465,291
Total:							
in :	93,366,000:	22,874,800:	374,523,500:	47,387,600:	28,841,800:	37,883,300:	604,877,000
bush:							

Exports

The net exports of wheat including flour reported from July 1 to March 15 amount to about 111 million bushels, as compared with 110 million in the corresponding period of the previous season. Exports have actually been smaller than a year ago, but imports for milling in bond to March 1 amounted to about 10 million bushels less than in the corresponding period of a year ago. This reduction in imports more than offsets the reduction in exports of domestic grain and flour.

Exports during January and February were larger than a year ago. The exports of wheat including flour in the ten weeks ended March 9 amounted to 21 million bushels compared with 17 million in the previous season. In March, however, exports have been less than in March a year ago. To equal the net exports of the past season, shipments for the remainder of the season must average about 2 million bushels per week.

Reviewing inspections for export during the first half of the season it will be observed that only small amounts of hard red spring and soft red winter have been exported. Practically all of the wheat of those classes that has been exported has been shipped from the Pacific Coast. Durum exports fell considerably below those of the previous two seasons, which was to be expected. The shipments of hard red winter, on the other hand, were a little larger than in the corresponding period of 1928. The Pacific Coast shipped large quantities of white wheat.

Table 7 - WHEAT: Exports by classes, United States,  
July - December, 1927 - 1929 a/

Year	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1927 .....	5,604	21,722	58,665	13,136	23,348	122,475
1928 .....	1,248	29,839	30,530	1,733	9,416	72,766
1929 .....	618	12,157	34,161	2,249	10,397	59,782

a/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.

Table 8 - WHEAT: Pacific Coast inspections for export by classes,  
July - January, 1928 - 1929

Year	Hard red spring	Hard red winter	Soft red winter	White	Mixed	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1928 .....	793	7,663	1,681	9,650	225	20,212
1929 .....	651	2,906	1,756	12,371	-	17,684

Compiled from records of the Grain Division.

Table 9.--UNITED STATES: Exports of wheat, and wheat including flour, by weeks 1929 and 1930

Week ended	Wheat		Wheat including flour	
	1929	1930	1929	1930
	: 1,000 bushels:	: 1,000 bushels:	: 1,000 bushels:	: 1,000 bushels
January 5 ...:	976	1,996	1,878	2,635
12 ...:	420	1,382	1,553	2,656
19 ...:	506	1,578	1,535	2,513
26 ...:	260	1,001	1,021	1,786
February 2 ...:	975	1,593	1,783	2,970
9 ...:	896	2,380	2,024	2,775
16 ...:	212	1,422	1,895	2,136
23 ...:	582	373	1,404	1,111
March 2 ...:	785	734	2,444	1,848
9 ...:	824	224	1,600	873
Total .....	6,436	12,683	17,137	21,303

Weekly report of the Department of Commerce.

#### The international trade in wheat

Exports of the principal exporting countries from the beginning of the season, July 1, to March 15 were about 190 million bushels less than in the corresponding period of the previous season. Shipments from Russia, the Balkan countries and the United States have been greater than, and the Argentine shipments equal to those of a year ago. Australian and Canadian shipments have been considerably smaller. Shipments from surplus producing countries in the season to date have averaged about 11 million bushels per week. In the early part of the season the Balkan countries and the Argentine furnished the bulk of the supplies. In recent weeks Canadian wheat has been shipped in fairly large volume.

The wheat available for export and carryover in the principal surplus producing countries as of March 1 probably was about 200 million bushels less than a year ago. As indicated above, the available supply in the United States is about the same. The Canadian surplus as of March 1 has been estimated at about 180 million bushels, as compared with 224 millions exported and carried over after March 1, 1929. The surplus in Argentina is probably about 75 million bushels of poor quality wheat as compared with 227 millions of good wheat available as of March 1 a year ago. Allowing for a small carryover and small shipments in the latter part of the year, Argentina could ship only about 45 million bushels in the four months, March to July, as compared with 101 millions shipped in the corresponding period of a year ago.

Apparently the surplus of the Balkan countries has been practically used up. Prices in Hungary have risen in relation to Chicago prices and the stocks in Hungarian warehouses have been reduced to a moderate level. Yugoslavia continues to ship small amounts but the remaining surplus in that country is probably very small. Russia continues to dribble out small quantities without any evidence of a real surplus.

Table 10.--WHEAT INCLUDING FLOUR: Shipments from principal exporting countries

Country	:Total shipments : : or exports :		Shipments, week ended			:Net movement from :July 1 to & inclu- :ing March 15	
	:1927-28:	:1928-29: : a/ :	: Mar 1 :	: Mar 8 :	: Mar 15 :	:1928-29:	:1929-30
	: bushels:	: bushels :	: bushels:	: bushels:	: bushels:	: bushels:	: bushels
North America b/	:452,423:	:499,942:	: 3,050:	: 5,746:	: 5,641:	:384,889:	:211,599
Canada 4 markets c/	:333,335:	:458,649:	: 581:	: 1,789:	: 1,218:	:370,424:	:134,968
United States .....	:206,259:	:163,687:	: 1,848:	: 873:	: 968:	:109,639:	:110,854
Argentina .....	:178,135:	:216,722:	: 3,028:	: 2,624:	: 2,258:	:131,231:	:131,142
Australia .....	:72,962:	:107,937:	: 2,260:	: 2,304:	: 1,480:	:74,584:	:43,736
Russia .....	: 5,408:	: 8:	: 0:	: 136:	: 0:	: 8:	: 2,320
Danube & Bulgaria d/	:32,847:	: 33,842:	: 0:	: 96:	: 496:	: 2,152:	:16,400
British India .....	:15,668:	:21,739:	: 0:	: 0:	: 0:	: 5,581:	: 128
Total f/.....	:757,443:	:836,712:	: 8,338:	:10,906:	: 9,875:	:598,445:	:405,325

Compiled from official and trade sources.

a/ Preliminary.

b/ Bradstreet's, weeks ending Thursday, includes flour converted at 4.5 bushels per barrel.

c/ Fort William, Port Arthur, Vancouver and Prince Rupert.

d/ Hungary, Yugoslavia, Rumania and Bulgaria.

e/ Net imports.

f/ Total of trade figures, including North America as reported by Bradstreet's.

#### The Orient

No improvement has been noted in the condition of the flour milling industry in Shanghai during the past month and at the present time about 75 per cent of the total milling capacity is idle, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. American western white wheat, No. 2 is quoted at \$1.23 per bushel and Canadian, No. 3 at \$1.18 per bushel, c.i.f., Shanghai. These prices, however, are too high to interest millers and shipments arriving in April will be obliged to compete with the 1930 domestic wheat crop. Buying is slow and cautious on the domestic market and local importers state that practically no contracts are being made for foreign flour for either the Shanghai or Tientsin markets due to fears of an early drop in prices. Quotations on Shanghai flour on the local exchange are \$1.19 per 49-pound bag for April delivery and \$1.07 for June delivery.

The condition of the market at Tientsin is improving. Stocks have been reduced to about a normal level. February arrivals are estimated at 600,000 bags; 400,000 from Shanghai, 400,000 from the Yangtse Valley, and 100,000 from Japan, according to Consul Gauss. No flour arrived from the United States or Canada during that month. Sales were slightly better than in January but many buyers continued to hold off because of the uncertainty of exchange. The local mill production declined in February, only three mills operating and producing 260,000 bags. A further reduction in local milling is expected in March.

Prospects for imports of United States wheat by Japan continue fairly good although the export demand for Japanese flour is poor because of the fall in the value of silver and the large stocks of American and Canadian flour which have accumulated at Chinese ports, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Consul General Garrels at Tokyo. Japanese wheat imports during January from the United States were 220,000 bushels, from Canada 662,000 bushels and from Australia 39,000 bushels. Mill stocks of flour on March 1 were above normal and the wholesale price of flour at Tokyo on that date was \$1.75 per 49-pound bag against \$1.79 on February 1. Wheat prices at Tokyo on March 1, duty and landing charges included, were as follows \$1.61 per bushel for United States western white No. 2, \$1.50 per bushel for Canadian No. 5, \$1.64 for Australian and \$1.62 for standard grade domestic No. 3. The corresponding prices on February 1 were United States \$1.66, Canadian \$1.68, Australian \$1.64 and native wheat \$1.61 per bushel. Western white, No. 2 was quoted on March 1 for April delivery at \$1.13 per bushel, f.o.b. Portland.

### Europe

The European demand for wheat continues weak - the United Kingdom imported July 1 to March 1 about 10 million bushels more than in the corresponding period of a year ago, most of this increase in imports is now in the port stocks which on March 1 amounted to about 13,600,000 bushels as compared with 5,840,000 a year ago. These stocks are larger in relation to facilities but not in relation to the needs of the country. If the overseas flow to the United Kingdom were checked the surplus of stocks would soon disappear. In fact they have been declining in the past few weeks,

The Continental European importing countries have fallen far behind in their imports. France with a larger crop has imported more than she was expected to take but Germany and Italy are far behind expectations. Large supplies and low prices of other crops have reduced the demand for wheat in Italy and Germany. In Italy large crops of wheat and corn have reduced the demand for foreign wheat. In Germany large supplies of rye and cheap feed-stuffs together with the special efforts of the government to protect the domestic market have reduced imports. It is evident that the Continental countries are not stocked up with wheat. If they continue to buy only to satisfy immediate needs the stocks in the importing countries on July 1 will be low - a crop scare, delayed harvest or the prospect of a short crop probably would stimulate buying and greatly increase the European demand for our wheat.

Table 11.--World quantity of wheat and flour on passage and United Kingdom port stocks, by weeks, 1928-1930

Week	1928		1929		1930	
	On	U. K.	On	U. K.	On	U. K.
	passage	stocks	passage	stocks	passage	stocks
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bushels					
Jan 7 .....	46,080	7,680	53,160	5,920	28,208	15,200
14 .....	45,096	6,960	57,560	6,640	32,672	14,680
21 .....	48,712	6,400	60,416	6,240	33,272	13,760
28 .....	55,324	6,080	63,024	5,840	35,800	13,200
Feb 4 .....	59,264	6,400	64,768	5,200	37,632	15,120
11 .....	65,520	6,400	71,424	5,600	39,464	14,000
18 .....	72,256	5,600	70,088	6,400	40,720	14,000
25 .....	77,328	5,920	69,944	5,760	39,200	13,016
Mar 4 .....	74,840		70,032		36,672	
11 .....	70,672		73,576		36,984	
			71,296		38,496	

Compiled from trade sources.

Table 12.-- WHEAT, INCLUDING FLOUR: Net imports into principal European importing countries

Country	1928-29	Preliminary estimates 1929-30
	Million bushels	Million bushels
United Kingdom .....	204	200 - 210
Italy .....	90	40 - 50
Germany .....	68	75 - 80
France .....	51	27 - 30
Belgium .....	41	42 - 45
Netherlands .....	29	30 - 33
Czechoslovakia .....	17	15 - 16
Greece .....	22	20 - 25
Irish Free State .....	18	18 - 19
Austria .....	15	14 - 17
Switzerland .....	15	16 - 18
Sweden .....	8	7 - 9
Norway .....	9	7 - 9
Denmark .....	17	10 - 12
Finland .....	6	6 - 7
Poland .....	4	2 - 6
Estonia .....	1	1 - 2
Latvia .....	3	2 - 3
Spain .....	a/ (15)	0 - 1
Portugal .....	a/ (8)	5 - 6
Total .....	641	532 - 598

a/ Unofficial.

Table 13.--WHEAT INCLUDING FLOUR: Net imports into European importing countries 1928-29 and 1929-30

Country	Net imports reported		
	July 1 to	1928-29	1929-30
		Million bushels	Million bushels
United Kingdom	Jan 31	118	129
Italy	" 31	49	14
Germany	" 31	42	45
France	Dec 31	24	25
Belgium	" 31	22	23
Netherlands	Jan 31	18	17
Czechoslovakia	Dec 31	10	7
Greece	" 31	9	11
Irish Free State	" 31	9	10
Austria	Oct 31	4	5
Switzerland	Jan 31	9	11
Sweden	" 31	5	5
Norway	" 31	5	4
Denmark	Dec 31	7	4
Finland	" 31	3	4
Poland	" 31	2	a/
Estonia	" 31	1	1
Latvia	Nov 30	1	1
Total		338	316

a/ Less than 500,000 bushels.

Table 14.--Estimated wheat surplus of 4 Continental European countries. 1929-30

Country	Net exports		Estimated surplus	Net exports	
	1927-28	1928-29	Feb 28 1930	July - November	1929-30
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Rumania	7	2	1	1	a/
Yugoslavia	1	8	20	6	b/ 19
Hungary	22	24	23	c/ 7	c/ 13
Bulgaria	2	1	d/	-	-
Total, 4 countries	32	35	44	14	32

a/ Less than 500,000 bushels. b/ Preliminary, July-December.

c/ July - October. d/ Reports indicate Bulgaria is importing some wheat this year.

The Continental European wheat market situation during February 1930 a/

February has passed with the important Continental wheat importing countries still failing to give evidence of beginning to draw heavily on overseas countries for their wheat supplies. Some increasing tendency in imports is apparent, and shipments to the Continent are rising slowly, but active buying has not developed, and continental prices have followed, though slowly, the general downward tendency on overseas markets.

The continued lack of demand is due primarily to the pronounced weakness in wheat prices, though there is growing belief that only somewhat underestimated European crops can explain the Continent's ability to postpone purchases to the extent revealed this year. In any event, it is evident that Europe has been living to an abnormal extent from her own supplies, and that domestic stocks will be reduced to extremely low levels this season. The trade is unanimous in the belief that heavy buying can be delayed but little longer. An unfavorable turn in the crop outlook, particularly in Europe, would probably accentuate demand to a marked extent during the remainder of the season.

The downward tendency of wheat prices during February has been, naturally, most pronounced in the importing countries, with the sharpest slump in Italy, though German and French quotations also fell considerably. The decline in these markets, though not as great as in America, was apparently somewhat accentuated by sales of both French and Russian wheat. There was no longer any pressure from the Danube, as export supplies there are so nearly exhausted that prices have been well maintained in the face of recession on other markets. The spread between Danubian and overseas prices has now become very wide, and it has also increased during the month for most other continental points as compared with Chicago.

a/ By Agricultural Commissioner Loyd V. Steere, Berlin, Germany, February 28, 1930. Supplemented by cables to March 15, 1930.

Table 15.--Price spread per bushel, Chicago - Europe a/

Date	BERLIN	PARIS	GENOA	VIENNA	HUNGARY			
	"Markischer" wheat spot	Domestic wheat nearest month	Domestic wheat nearest month	"Vienna: Boden" wheat spot	"Tisza" wheat 79/80 kg spot			
	: 1928-29:	: 1929-30:	: 1928-29:	: 1929-30:	: 1929-30:			
	: Cents	: Cents	: Cents	: Cents	: Cents			
Sept 6.....	+29.75	+17.69	+53.96	+21.89	+23.41	-13.14	- 5.38	- 5.86
Dec 6.....	+18.64	+30.91	+17.70	+23.46	+ 6.19	- 6.50	- 2.64	+ 3.38
Jan 10.....	+17.64	+31.14	+48.04	+21.15	+13.54	+ 1.43	- 5.50	+0.09
Jan 31.....	+15.84	+39.70	+44.00	+26.15	+ 8.54	+ 9.48	- 0.85	+ 8.75
Feb 21.....	+12.63	+39.42	+41.50	+28.90	+ 2.47	+ 7.63	+15.49	+23.17
Feb 26.....	+18.79	+38.82	+45.52	+32.40	+ 6.33	+ 3.95	+12.61	+20.30
Mar 11.....	+21.00	+45.00	+47.00	+36.00	+ 6.00	+ 5.00	+16.00	b/22.00

a/ Above (+) or below (-) Chicago.

b/ The spread on March 7 was 2.00 cents.

The wheat stock situation on the Continent at the end of February can be regarded as generally more favorable for increased imports from overseas, because of the evidence that all the important importing countries have continued to draw to an abnormal extent upon domestic supplies, which have already been much reduced by large consumption throughout the season. There is every reason to believe that Europe will go into the next crop year with very low stocks of native wheats, France, however, may end the season with relatively larger supplies than other countries.

Stocks of foreign wheat at the northwestern European ports and in trade channels have shown some tendency to rise during February, but are still to be regarded as very moderate. The increase has been due as much to smaller takings by the interior mills and the trade following some revival of imports in January, particularly in Germany, as it is to larger arrivals, although arrivals at several important ports have increased in February. Stocks of foreign wheats held by Central European mills are reported to have been larger in February than in January as a result of increased movement inland during January and early February.

Table 16.--Wheat stocks at certain European points

Date	Antwerp	Rotterdam	Hamburg	Berlin	Hungarian warehouses
	: 1,000 : bushels				
<u>1929-30</u>					
Oct 31	: 3,800	: 2,800	: ---	: 700	: 4,800
Jan 15	: 1,500	: 1,300	: 900	: 700	: 4,200
Jan 31	: 880	: 1,200	: 900	: 880	: 4,000
Feb 15	: 580	: 1,300	: 1,700		: 3,700
Feb 22		: 1,400			: 3,600
Feb 28	: 960			: 1,000	
Mar 8		: 1,800			: 3,300

The net effect of this continued small import movement and buying of overseas grain by the Continent, and the apparently growing belief that the 1929 continental wheat crop may have been somewhat underestimated, has been to make it seem necessary further to revise previous estimates of the continental deficit in the 1929-30 season. It now seems doubtful that continental import requirements for the season will exceed 300,000,000 bushels as compared with 308,000,000 bushels estimated at the end of January and 387,000,000 bushels actually imported last season. This would mean that Europe's requirements this season will fall 24 per cent below those of last year. The revision in the deficit estimate includes reductions of 11,000,000 bushels for Italy, 1,800,000 bushels for Holland, 1,300,000 bushels for Poland, 1,100,000 bushels for Portugal and an increase of 3,700,000 bushels in the surplus of Yugoslavia, while France's deficit has been increased by 3,700,000 bushels, Czechoslovakia's by 1,800,000 bushels and Switzerland's by 900,000 bushels.

Continental wheat imports have continued to maintain a very low average from the beginning of the season (July 1) to January 15, totaling only 5,000,000 bushels per week as compared with 7,500,000 bushels last season. If the estimated deficit of 300,000,000 bushels this season is to be covered, weekly imports from January 15 to the end of June must average 6,000,000 bushels as compared with 7,400,000 last year. As overseas shipments to the Continent up to the present time have remained on relatively low levels, there will have to be a very large increase in the shipments and imports in the last few months of the season, if the indicated deficit is to be covered. Imports from March on, in fact, will have to be considerably larger than in the last three months of last season, if this is to take place. All available evidence indicates that Europe has these large requirements, whose covering would mean an almost overnight change in the current apathy of the market.

Table 17.--Estimate of continental wheat and flour movements from overseas

Item	1928-29	1929-30
Continental deficit . . . . .	<u>1,000 bushels</u> 367,458	<u>1,000 bushels</u> 295,784
Net imports of deficit countries		
6½ months . . . . .	a/ 232,475	a/ 182,945
Estimated share of Danube . . . .	22,046	40,418
Net imports minus share of Danube	b/ 210,429	b/ 142,527
Estimated net imports of deficit countries 5½ months, ending June 30:		
Estimated share of Danube . . . . .	187,648	156,931
Estimated share of Danube . . . . .	10,619	3,674
Net imports minus share of Danube	177,029	153,257

a/ Actual data, with estimates for Spain and Portugal included; these estimates assume, for 1928-29, the same percentage distribution of net imports over the year as in the case of the other 16 continental countries, for 1929-30, 50,000 tons for Portugal.

b/ World shipments for these 6½ months, with a lag of one month behind imports, were 138,412,000 bushels in 1929-30, and 204,403,000 bushels in 1928-29, thus approximating very closely the above figures. We changed the lag of one month to 6 weeks behind imports because of the fact that most of the leading countries close their import statistics by the 20th of the month reported. (January = December 21 - January 20)

Prospects for 1930 crops

Reports on the winter wheat crops in the northern hemisphere so far this season are regarded as generally bearish by the European grain trade, and have been an important factor in shaping the trade attitude in recent weeks. This is particularly true of reports on the American winter wheat crop disseminated in Europe. Information on the European crop, with indications of somewhat increased acreage in many important countries and rather generally favorable reports of good progress of the seeds during the winter, is also regarded in much the same light, although there has been rather widespread comment about crops being too far advanced as a result of the mild winter. From certain countries, particularly in Central Europe, the Danube and France, there has also been complaint of freezing and thawing, and possible frost damage as a result of generally light snow cover. It should be pointed out, however, that while snow cover has been lacking during most of the winter over all Europe, there have been no prolonged periods of really low temperatures, and there is as yet no confirmation of actual damage due to weather. Some winter kill is to be expected in the Upper Danube on exposed fields, as low temperatures were experienced there, but the extent of damage from freezing and thawing cannot yet be determined as this has quite generally resulted from night frosts and warm days rather than from longer, alternating, cold and warm spells. A few late reports, however, are beginning to indicate that another aspect of the past winter may assume considerable importance as a crop factor, unless more favorable weather develops. Snowfall and rain have been comparatively light over large areas of the Continent this winter, and reports from the Danube Basin state that soil moisture is much smaller than usual. There is some indication that this is also the case in Germany and Poland, as precipitation over much of this area has been below normal during the past four months. As March, April and May are normally months of comparatively light rainfall in northern Central Europe, it is apparent that the growth season is starting with none too favorable conditions. If crop outlook developments should grow less favorable, there is little doubt but that Europe will show much greater readiness to cover its import requirements for wheat during the remainder of the season.

Feed grain markets

Conditions in the feed grain markets must also be regarded as having an unfavorable effect upon the demand for bread grain. Practically all feed grains are at low levels and showing a tendency to decline further, an important factor being the favorable reports on the coming Argentine corn crop. Large offers of barley from the Danube and from Russia are also a depressing influence. The cheapness of corn prices is reported to be having a direct influence on the home demand for wheat in southern Europe, and has had a very evident effect in increasing the exportable surplus of wheat in the Danube Basin and curtailing wheat import requirements in Italy. The low prices of feedstuffs are undoubtedly an important factor in the extremely depressed condition of the rye market in northern Europe, as there is little incentive to feed rye, in spite of the fact that a large surplus exists. Germany is holding very large stocks of imported barley brought in during December and January prior to the recent tariff increase. The Danube has not been able to ship as much corn as had been expected this fall because of high moisture content, but exports in the Spring will probably be larger than anticipated.

Germany

The German wheat and flour markets have been generally dull throughout most of February, with prices declining in sympathy with overseas in spite of the fact that the new tariff rates became effective on February 11. An agreement just reached between the leading parties of the German Reichstag proposes to increase the import duty on wheat to 78 cents per bushel and on flour to \$2.51 per 100 pounds and it is generally believed that the bill will pass the Reichstag to become effective immediately. The bill provides for a reduction in rates in event of a substantial price increase. Wheat imports, which were unexpectedly large in January, continued active up to February 11, but subsequently have been very quiet although exceptionally heavy import buying of grain was reported to have occurred on one day, February 21.

The large January imports and the unexpectedly sharp drop in German prices in the face of the tariff increase and continuance of compulsory 50 per cent milling of domestic wheat, as well as the comparatively reduced levels of domestic grain stocks indicated by German farm stock figures, are somewhat unfavorable from the standpoint of import buying in the immediate future, unless a reaction in prices takes place. Reports on some increase in mill stocks of grain on hand, both foreign and domestic, in recent weeks, seem to foreshadow at least temporarily slower demand, and the extension of compulsory 50 per cent milling to March 31, with the Government having the authority to extend this to May 31, also insures, that domestic grain will continue to disappear at a rapid rate, somewhat to the disadvantage of overseas grain. There has been some recent agitation by agricultural organizations for raising the percentage to 60 per cent. While these developments are temporarily unfavorable, there can be no doubt that imports will be large in the latter part of the season.

The situation in the German rye market continues very unsatisfactory, so much so, in fact, that the Government has felt compelled to advance about \$4,760,000 to be used for the purchase and storage of rye in an effort to stabilize prices. Efforts to reach an agreement with Poland for a joint, rye export syndicate, in order to prevent more or less cut-throat selling of the rye surplus on the Scandinavian market, have finally been successful. Details of the agreement, which provides for a quota of 60 per cent for Germany and 40 per cent for Poland of the total rye exports from the two countries, are under preparation and will be submitted separately. Another measure for support of the rye market has just been presented to the Reichstag by the Government in the form of a bill giving legal definitions for different kinds of bread. Rye bread and wheat bread, under this bill, must contain at least 95 per cent of rye and wheat flour, respectively, whereas rye bread now usually contains about 20 per cent wheat flour. The Government seems hopeful of a considerable increase in consumption of rye through this medium, but it remains to be seen how effective the measure will be. The measures for support of the rye market, generally speaking, are regarded as having had little apparent effect as yet.

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

Table 18 - GERMANY: Price per bushel of domestic wheat and rye, January 8-March 12, 1930

Date	Wheat			Rye
	Hamburg <u>a/</u>	Breslau <u>a/</u>	Berlin <u>c/</u>	Berlin <u>d/</u>
	Cents	Cents	Cents	Cents
<u>1930</u>				
Jan 8 ..	167	154	159	98
15 ..	169	157	160	96
22 ..	168	156	161	95
29 ..	168	156	159	98
Feb 5 ..	165	152	154	97
12 ..	165	150	155	97
19 ..	161	147	151	97
26 ..	158	144	147	97
Mar 5 ..	156			97
12 ..	159			86

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Markischer" wheat of 59-60 pounds per Winchester bushel.

d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

German imports of wheat in January, as previously stated, were unexpectedly large as a consequence of the approaching tariff increases, the net figure for wheat and wheat flour amounting to about 10,104,000 bushels as compared with 5,907,000 bushels in December and 4,437,000 bushels in January 1929. The import figures for February are also expected to be relatively large as a result of the heavy takings in the first part of the month, but it is hardly likely that they will rise to the levels of January. German exports of wheat are now dropping off and were much smaller in January than last year.

There have been no recent developments to warrant revision of previous estimates that German import requirements this season will be about 77,000,000 bushels. The larger import movement recently will probably be reflected in somewhat reduced takings in the immediate future, followed by a revival later on.

The visible trade stocks of grain in Germany appear to have increased during January and early February as a result of the large import movement during this period. Stocks in Berlin rose from 21,314 short tons at the end of December, to 26,066 short tons at the end of January. January 31 stocks last year were 13,516 short tons. Visible rye stocks are also more than twice as large as last year. Reports from certain flour mills indicate increased stocks, too, though others state that supplies are moderate.

Stocks of wheat on German farms as of February 15, 1930 are only slightly lower than a year ago. Trade reports state that farmers have been very reluctant to sell grain at levels prevailing since the end of December, hoping for improvement in prices as a result of Government measures. The compulsory milling regulations, however, should insure continued large demand for domestic grain by the mills. Although the farm stocks are already indicated to be low, there has been some press comment to the effect that these figures do not indicate the true level to which farm stocks have sunk, because of failure to give due weight to the financially weak farms which have had to sell all the crop. It does not seem that the picture would be materially changed even if this criticism is warranted.

Table 19 - GERMANY: Stocks of grain, February 15, 1929 and 1930

Grain	Production		Farm stocks, Feb 15		Stocks available for sale, Feb 15	
	1928	1929	1929	1930	1929	1930
	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels
Winter wheat	: 127,194	: 112,687	: 39,600	: 36,100	: 28,600	: 28,200
Winter rye	: 330,719	: 316,993	: 121,000	: 130,000	: 61,500	: 69,700
Spring barley	: 132,614	: 128,591	: 44,400	: 50,200	: 23,700	: 27,000

Based on the percentage estimate of the German Agricultural Council.

Reports on winter grain crops in Germany have been generally favorable to date, with indications that there has been a small increase in the acreage of both wheat and rye, at least in Prussia. It is agreed that there has not been much frost damage, and injury from freezing and thawing is yet to be confirmed. A recent article by a prominent German farmer, however, states that there is a pronounced lack of sub-soil moisture, - more than in any of his 25 years experience, - which may become serious unless there is marked improvement in the next two months, which are normally months of comparatively light rainfall in this part of Europe. Official figures on precipitation at Koenigsberg, Berlin and Cassel confirm that rainfall across this wide stretch of territory has been small, - less than 80 per cent of normal in the period November to January inclusive, - and, furthermore, February has been very dry. (November-February, these three stations averaged only 72 per cent of normal). Drainage has probably also been aided by the mild winter. The same farmer states that heavy rains in the next two months, such as would be required to fill up the lack of sub-soil moisture, would be unfavorable for the soil from both a bacteriological and physical standpoint, and therefore, comes to the conclusion that the immediate outlook for the crop is not particularly favorable. It is so early in the season, of course, that the outlook can be changed materially by subsequent developments.

### France

The French wheat market has shown tendencies somewhat different from those prevailing in other countries during February. Large domestic marketings brought about a decline in wheat prices in the latter part of January

and the first part of February, but, thereafter, the market became firmer and quotations showed a slightly upward tendency for the month as a whole. The stronger tone of the market was due to reduced farm marketings and to rumors of additional relief measures for support of the wheat market. Sales of French wheat to Holland, Belgium, Germany, Italy and England also added strength.

In spite of the firmer tone, however, there are indications that France still has considerable stocks of wheat on hand, and it does not seem likely that net imports into France during the balance of the season will be very large, though apparently little more will be required than had been expected a short time ago. Takings for the season are estimated at 29,000,000 bushels, exports considered.

The French crop has made rapid progress during the winter, in fact, there has been complaint of too rapid growth, but until recently conditions of the crop were regarded as very favorable. February reports, however, have expressed some concern about the effect of freezing and thawing weather and the tone of reports indicates that at least small damage has probably occurred.

### Italy

After giving evidence of the development of some import demand for overseas wheat in January and early February, activity on the Italian market took an unfavorable turn during the balance of the month, and very little business for import was done. Trade opinion is that Italy still has considerable domestic wheat available, although stocks are not to be regarded as large. The supplies will certainly have to be pieced out by increased imports during the last months of the season, although it now appears that Italian import requirements this year will be considerably smaller than expected earlier. It seems doubtful, in fact, whether Italy will import more than about half of the volume taken last year.

Italian imports of wheat from July 1 to January 31, 1930 have amounted to only 14,000,000 bushels as compared with 51,000,000 bushels in the corresponding period last year. Figures on arrivals at Italian ports in February point to some increase, but it now seems probable that not more than 29,000,000 bushels will come in during the last five months of the season, or a total of about 44,000,000 bushels for the year. The recent increase in arrivals is thought to consist largely of French, Russian and Hungarian wheat purchased at the end of January and early February, when market activity revived somewhat. Overseas wheats are still generally neglected, though a report just received from Dawson at Genoa states that there will probably be a small demand for American durum during the balance of the season. Manitobas will probably find more favor than American wheats, for reasons of quality.

Dawson reports that the low price of all grains, and particularly the very low level of corn, which is only about 50 per cent of the tariff-protected wheat price in Italy, is having the effect of increasing consumption of other grains at the expense of wheat. He mentions rice as another cereal whose low price has been a factor in Italy. He states that the condition of the crop is very good but the weather in March will be an important factor in making the crop.

Holland and Belgium

The Dutch and Belgian port wheat markets have been much under the influence of German buying during February, with considerable activity in spot wheat prior to the German tariff increase on February 11, but little thereafter. Subsequent trading has been almost entirely for domestic account.

As a result, port stocks have shown a slightly rising tendency this month, after declining steadily since October. Stocks are still very moderate, however, and promise to continue so for some time to come, as afloat shipments are small and interior demand is not likely to remain dormant for any length of time. Both Antwerp and Rotterdam have reported transactions in French, and Russian wheat in February, though amounts have been small.

Both Holland and Belgium are taking a little more foreign wheat than last year, and together seem likely to import about 3,700,000 bushels in excess of last season's takings.

The Danube Basin

Grain markets have been dull generally in the Danube Basin during February. At times, however, Hungary effected some fairly large sales of wheat to both Austria and Italy, the latter country having again shown some interest after a period of stagnation. Flour business was reported very unsatisfactory in Austria and Czechoslovakia at the end of the month, particularly for lower grade flours. Danubian wheat prices, however, showed great resistance to tendencies on outside markets during the month, the spread at Budapest at the end of February in fact, being practically 12 cents above that prevailing at the end of January.

Price-spread per bushel

Hungarian Tisza Wheat, 79/80 kg., spot, above (+)  
or below (-) Chicago Futures, nearest month 1929-30

	<u>Cents</u>		<u>Cents</u>
Sept 6	-5.86	Jan 10	+0.09
Oct 4	-10.70	" 17	+7.00
Nov 6	+3.50	" 31	+8.75
Dec 6	+3.38	Feb 21	+23.17
Dec 20	+9.91	" 28	+20.30

The relatively strong price situation in the Basin is due to the further reduction and practical exhaustion of surplus supplies, as reports are unanimous that very little wheat will be exported during the balance of the season, unless prices become unusually attractive. In any event the carry-over will be abnormally small. The steady decline in visible supplies in Hungary is indicated by the following figures on stocks in public and co-operative warehouses:

<u>Date</u>	<u>1,000 bushels</u>	<u>Date</u>	<u>1,000 bushels</u>
Sept 1, 1929	2,400	Jan 20, 1930	4,150
Oct 7, 1929	4,500	" 31, 1930	3,000
Nov 4, 1929	4,800	Feb 15, 1930	3,700
Dec 2, 1929	4,700	" 22, 1930	3,600
Jan 13, 1930	4,200		

Current grain reports and recent figures on Yugoslavian wheat exports indicate that Yugoslavian shipments abroad this season will probably exceed the previous estimate of 16,500,000 bushels. Exports to the end of December had reached 19,000,000 bushels and a continued small local movement across the borders will probably continue, particularly to Bulgaria, although reports agree that stocks are much reduced. The exceptionally low prices for corn appear to be making more wheat available for export than could normally be expected from the crop produced this year. It is possible that some wheat or flour might have to be imported before the close of the season, but probably not in any great quantities.

Danubian shipments of wheat continue to decline rapidly. In the two weeks subsequent to February 13 they amounted to only 73,000 bushels.

Recent reports indicate that the Czechoslovakian Government is considering the introduction of rye milling regulations to enforce a fixed percentage of rye flour in bread in an effort to support the rye market.

### Poland

The Polish wheat and rye markets, following a slight improvement in January, have been generally weak throughout February, in spite of the fact that the rye export-syndicate agreement with Germany was concluded and signed during the month. As the agreement contains no provisions that could be expected to increase exports, and as the domestic stocks of rye are large enough to exert a very depressing influence on the market, domestic demand has continued restricted. Polish agricultural and trade circles show considerable dissatisfaction with the agreement and do not anticipate that it will be beneficial.

Soviet Russia

Russia has appeared on European markets as an important exporter of most of the chief grains during February. The bulk of sales and exports, however, consisted of barley and wheat. The shipments of wheat occurred largely during the last week in January and the first two weeks in February and have since declined sharply, in fact, no wheat was reported shipped from Black Sea ports in the last week of February. The exports are evidently being made largely from the Black Sea region, though some shipments, particularly of rye, have moved from Baltic ports. Total shipments of all grains from South Russian ports up to February 26 have amounted to about 524,000 short tons, divided as follows:

	<u>1,000 bushels</u>
Barley .....	17,591
Wheat .....	2,168
Corn .....	591
Rye .....	551
Oats .....	344

The shipments of Russian grain are going to practically all important importing ports, Italy, England, Holland and Germany having taken wheat, and the Scandinavian countries rye. Holland and Germany have also received large quantities of barley, some of which is reported as still unsold and accumulating at ports.

A very interesting angle of the situation is that, in spite of these rather large shipments, going on in the case of barley since the first of December, there is no mention of grain exports in the Soviet press. This fact seems to lend considerable weight to the evidence that Soviet grain exports this season are rather in the nature of forced shipments, dictated by pressing needs for foreign exchange. The authorities apparently do not want the exports to become public knowledge. While the barley crop is reported favorable, numerous reliable reports indicate that an actual shortage of feedstuffs exists in some parts of Russia, and has been something of a factor in the large slaughter of livestock reported in recent months. In some sections of the country a surplus probably exists, and in others it seems possible that slaughtering of livestock may have made certain quantities of feed grains available to the Government, but there seems to be a close connection, one way or the other, between the reported large livestock slaughter and the exports of feed grains.

Just as the Russian government makes no mention of grain exports to date, it is also saying nothing, at least publicly, as to probable further exports this season. There is, therefore, no reliable basis for estimating what can be expected from Russia in the way of future grain shipments. The fact that wheat exports have dropped off in February may indicate that no more wheat will be exported, but should not be accepted as conclusive evidence that this is the case. Total wheat exports to date from the Black Sea ports, however, have amounted to only 2,168,000 bushels, which is much below the estimates of 4,800,000 to 16,000,000 bushels rumored in certain circles of the continental grain trade several weeks ago. There is no reason for altering previous statements that Russia has no real export surplus of wheat this year.

As to the new season in Russia, all reports indicate that the Government is now staging a tremendous drive for the carrying through of the spring sowing campaign. The plans for 1930 are very ambitious and the necessity for great emphasis on the spring campaign is rendered all the more necessary by the failure of autumn sowings to come entirely up to expectations. The government plans foresee no less than a 16 per cent increase in grain production for 1930, based on a 10 per cent increase in acreage and a sufficient increase in yield to make up the balance. Recent developments in collectivization of Russian agriculture, i.e., a virtual stampede of the peasantry into collectives - if press reports are to be credited even to a moderate extent - seem likely to prove a serious handicap rather than an aid to carrying out of the 1930 production plan, as a part of the forces otherwise free for current spring work are required in the organization and re-organization of the newly founded collective farms. It remains to be seen whether the disadvantages of collectivization will be offset this year by the advantages of "factory" farming. Data as of February 10 for RSFSR, Ukraine and White Russia indicated that 10,657,000 farms, comprising 48.5 per cent of all farms in the country, and including an area of 170,000,000 acres, had been turned into collective farming enterprises, naturally, of varying sizes. The effect of such a tremendous movement is difficult to comprehend or forecast, particularly if attended by the far reaching disorganization incident to an almost complete change from previous methods, shortage of equipment, etc., which reports indicate to exist.

Perhaps the most pressing immediate problem indicated in reports from Russia in recent weeks has been that of the collection of seed for the spring sowing campaign, which, up to the first of February, had been completed to only a very small extent. Under extreme pressure from the Government, however, there has been a marked change in the pace of collections during February, and recent reports indicate that the plan had been over 80 per cent completed as of February 25, although in some districts, particularly in the Volga region and in other sections of eastern Russia, the results are very unsatisfactory. Furthermore, in view of the exceedingly rapid pace of collectivization and the fact the collection plans for sowing material for collective farms were fixed several months ago, it is difficult to make out whether collections actually come as near meeting requirements for seed as reports indicate. According to the Soviet press, the establishment of new collective farms is still going on at a very rapid rate, so that the quantity of seeds planned for at present may prove inadequate in the spring because of the tremendous increase in the acreage under collectivization. Soviet officials recognize this fact, and are pointing out the necessity of continuing collections notwithstanding the execution of the plan in some regions.

The same situation also applies in other lines of preparatory work, as there is continual complaint of inadequate and delayed production and shipment of agricultural implements, fertilizers, etc. If the changes in the Russian system of farming are as great as reports will have us believe, it is difficult to see how the necessary equipment, seed and power, can be assembled for the approaching sowing campaign. In any event, 1930 must be regarded as perhaps the most critical year in Russian agriculture since the war, and certainly one with the greatest possibility for unusual developments, either tremendously unfavorable, or in the way of demonstrating unusual prospects for the future.

Table 20. - WHEAT: Balances, season July 1 to June 30,  
1928-29 and 1929-30

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>GERMANY</u>		
Production . . . . .	141,593	123,073
Net imports:		
July - Jan . . . . .	42,494	45,000
Feb - June . . . . .	26,004	
Apparent utilization . . . . .	210,091	
<u>ITALY</u>		
Production . . . . .	228,596	260,669
Net imports:		
July - Jan . . . . .	48,552	14,000
Feb - June . . . . .	41,192	
Apparent utilization . . . . .	318,340	
<u>FRANCE</u>		
Production . . . . .	281,285	319,863
Net imports:		
July - Jan . . . . .	24,034	25,402
Feb - June . . . . .	27,054	
Apparent utilization . . . . .	332,373	
<u>BELGIUM</u>		
Production . . . . .	17,986	15,995
Net imports:		
July - Dec . . . . .	21,743	22,911
Jan - June . . . . .	19,620	
Apparent utilization . . . . .	59,349	
<u>NETHERLANDS</u>		
Production . . . . .	7,336	4,666
Net imports:		
July - Jan . . . . .	17,700	17,214
Feb - June . . . . .	11,120	
Apparent utilization . . . . .	36,156	
<u>CZECHOSLOVAKIA</u>		
Production . . . . .	51,499	48,065
Net imports:		
July - Dec . . . . .	10,211	7,296
Jan - June . . . . .	6,982	
Apparent utilization . . . . .	68,692	

Continued

Table 20. - WHEAT: Balances, season July 1 to June 30,  
1928-29 and 1929-30 - Contd

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>SWITZERLAND</u>		
Production . . . . .	4,270	a/ 5,791
Net imports:		
July - Jan . . . . .	9,397	10,984
Feb - June . . . . .	6,098	
Apparent utilization . . . . .	19,765	
<u>GREECE</u>		
Production . . . . .	13,085	8,481
Net imports:		
July - Dec . . . . .	9,456	10,862
Jan - June . . . . .	12,687	
Apparent utilization . . . . .	35,228	
<u>DENMARK</u>		
Production . . . . .	12,214	11,758
Net imports:		
July - Dec . . . . .	7,278	4,497
Jan - June . . . . .	9,766	
Apparent utilization . . . . .	29,258	
<u>POLAND</u>		
Production . . . . .	59,219	60,259
Net imports:		
July - Dec . . . . .	2,251	297
Jan - June . . . . .	5,364	
Apparent utilization . . . . .	66,834	
<u>SWEDEN</u>		
Production . . . . .	19,155	18,724
Net imports:		
July - Jan . . . . .	4,575	4,920
Feb - June . . . . .	2,978	
Apparent utilization . . . . .	26,708	
<u>FINLAND</u>		
Production . . . . .	998	1,095
Net imports:		
July - Dec . . . . .	3,324	3,843
Jan - June . . . . .	2,771	
Apparent utilization . . . . .	7,093	
<u>LATVIA</u>		
Production . . . . .	2,499	2,366
Net imports:		
July - Nov . . . . .	1,249	1,249
Dec - June . . . . .	1,543	
Apparent utilization . . . . .	5,291	
a/Includes spelt.		