UNITED STATES DEPARTMENT OF AGRICULTURE
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WORLD WHEAT PROSPECTS

Summary

Smaller world supplies this year are reflected in a world level of wheat prices materially higher than in 1935-36, and the absence of large carry-over stocks points to the probability that wheat prices during the remainder of the season will be much more sensitive to new crop developments than has been the case in recent years. Wheat prices in the United States, except for white wheat in the Pacific Northwest, continue considerably above an export basis. This is to be expected during most of the 1936-37 season because supplies of hard red and durum wheats are below domestic requirements. White wheat from the Pacific Northwest is again moving into export channels and at the highest prices since 1930.

With higher prices than at seeding time last fall and sufficient moisture for seeding and germination over practically all of the winter wheat area, it seems probable that the 1937 wheat acreage to be harvested for grain will be at least as large as that of 1936. Based on present moisture conditions and normal weather during the remainder of the crop year, the yield per acre in 1937 may be expected to be somewhat below average but above the yields of recent years. The present moisture situation suggests that yields of winter wheat in the Southern Great Plains or hard red winter area in 1937 may average higher than in 1936 but will probably be below the 10-year average. In the hard red spring wheat area, there is a serious moisture shortage at present, but spring precipitation in this area is of relatively greater importance and yields are not limited by the amount of fall moisture to the same extent that they are in the hard red winter wheat area. In other sections of the country, fall moisture supplies considered

alone have little significance in relation to crop outturn.

Total world supplies of wheat in 1936-37, excluding Russia and China, show a decline of approximately 265,000,000 bushels compared with 1935-36. Crop conditions now indicate that world producton, excluding Russia and China will probably be about 3,462,000,000 bushels, or a decrease of about 90,000,000 bushels compared with last year. The world carry-over, excluding Russia, at the beginning of the current crop year was apparently about 750,000,000 bushels, or a decrease of about 175,000,000 bushels compared with a year ago. The reduced supplies are a result of a very short crop in North America and North Africa and a general reduction in stocks in nearly all countries. Exports from Soviet Russia appear unlikely but imports into China will be smaller than last year. Production in 1936-37 is the smallest since 1925 and stocks on July 1, 1937 are expected to be the smallest since about 1927.

World shipments of wheat during 1936-37 are estimated between 550,000,000 and 560,000,000 bushels compared with actual shipments of 489,000,000 bushels from July through June in 1935-36. An increase in imports is expected as a result of smaller crops and lower stocks in the importing countries and the improved business outlook in Europe, which has been due particularly to the recent devaluation of currencies and the reduction in import duties on the part of Gold Bloc countries. It is expected that most of the increase in European takings will be supplied by Danubian countries, which produced a very large surplus. Import requirements in the three oriental countries, China, Japan, and Manchuria, are expected to be substantially smaller than in 1935-36.

Wheat Production

The 1936-37 world wheat crop, exclusive of Russia and China, is now estimated at 3,462,000,000 bushels compared with 3,554,000,000 bushels in 1935-36 and 3,513,000,000 bushels in 1934-35. The total for the current season has been revised upward about 30,000,000 bushels during the past month, due largely to upward revisions in crop estimates for the Southern Hemisphere countries. The estimate of the United States has been lowered 3,000,000 bushels and that of North Africa, 2,000,000 bushels. The totals for Europe and for Asia have remained virtually unchanged.

Present estimates of production in 30 European countries total 1,494,189,000 bushels compared with 1,576,758,000 bushels in 1935 and 1,547,876,000 bushels in 1934. In European countries other than the Danube Basin, low yields rather than curtailed acreages, with few exceptions, account for the reduced crop. Germany and Poland are the only important countries showing increases in yield. Record yields are reported for the Danubian countries.

The first official estimate of the Australian crop is 129,484,000 bushels produced on 12,640,000 acres compared with the 1935 production of 142,308,000 bushels on 11,809,000 acres. The Bureau estimated the Australian crop in August at 125,000,000 bushels and made no revision in September.

Recent weather conditions in Argentina have been more favorable for the growth of the wheat crop. Good rains have been received over a wide area. The Agricultural Attache' at Buenos Aires, on the basis of the Government acreage estimate and present condition of the crop, estimates a crop of 239,000,000 to 246,000,000 bushels. The Bureau estimated the Argentine crop in August at 215,000,000 bushels and made no revision in September.

Table 1.- Wheat: Production, 1933-34 to 1936-37

Country	1933-34	1934-35	1935-36	1936-37
Northern Hemisphere	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.
North America:				
United States	551,683	526,393	623,444	627,233
Canada	281,892	275,849	277,339	232,973
Mexico	12,122	10,950	10,279	12,993
Total (3)	845,697	813,192	911,062	873,199
Europe:				
Danube Basin (4)	367,464	249,300	301,690	375,286
Other Europe (26)	1,377,784	1,298,576	1,275,068	1,118,903
Total (30)	1,745,248	1,547,876	1,576,758	1,494,189
North Africa (4)	110,037	134,170	113,324	95,135
Asia (6)	517,030	524,956	538,894	508,559
Total, 43 countries	3,218,012	3,020,194	3,140,038	2,971,082
Southern Hemisphere				
Argentina	286,120	240,669	141,021	1/240,000
Australia	177,338	133,394	142,308	129,484
Estimated world total, excluding Russia and China	3,809,000	3,513,000	3,554,000	3,462,000

Compiled from official sources and the International Institute of Agriculture.
1/Based on a report from the Buenos Aires Office of the Foreign Agricultural Service, which estimates a production of 239,000,000 to 246,000,000 bushels.

Rye Production

In North America rye production is greatly decreased from last year. In the United States, the indicated production of 27,095,000 bushels, is only 46 percent of the 1935 crop.

The rye production in 26 European countries, excluding Russia, is estimated at 871,277,000 bushels, compared with 893,006,000 bushels in 1935 and 894,185,000 bushels in 1934. Germany, Netherlands, and Rumania are the only countries reporting significant increases in production.

Table 2.- Rye: Production in specified countries, 1933-36

Country	1933	1934	1935	1936
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	21,418	17,070	58,928	27,095
Canada	4,177	4,706	9,606	4,982
Total (2)	25,595	21,776	68,534	32,077
Austria	27,044	22,617	24,416	18,113
Belgium	22,310	22,222	18,522	14,094
Bulgaria	9,683	6,438	7,767	7,992
Czechoslovakia	82,103	55,970	64,501	54,933
Denmark	9,899	10,801	11,177	1/ 9,842
Estonia	8,735	9,064	6,804	5,905
Finland	14,672	15,544	14,023	14,023
France	35,337	32,983	29,371	27,987
Germany	343,570	299,496	294,399	2/313,451
Greece	2,800	2,466	2,183	2,531
Hungary	37,654	24,380	28,650	28,822
Irish Free State	86	66	69	1/ 79
Italy	6,739	5,607	6,267	1/ 5,905
Latvia	13,979	16,210	14,326	11,653
Lithuania	23,042	26,331	25,221	20,235
Luxemburg	575	548	452	487
Netherlands	15,601	19,738	18,434	20,078
Norway	438	395	483	433
Poland	278,460	254,472	260,498	251,561
Portugal	4,210	4,913	4,674	3,652
Rumania	17,555	8,308	12,724	15,747
Spain	20,702	21,567	19,206	18,053
Sweden	18,215	20,673	17,116	14,763
Switzerland	1,545	1,260	1,279	874
Turkey	13,430	9,590	8,508	7,544
Yugoslavia	9,659	7,688	7,720	7,992
Total (26)	1,018,043	894,185	893,006	871,277

1/ Estimated in the Berlin Office of the Foreign Agricultural Service.
2/ Excludes the Saar, since production for this territory was not reported prior to 1936. The production reported for the Saar this year is 1,059,000 bushels.

Prices

Domestic wheat prices remained firm to slightly higher during the 2 weeks ended October 10, advanced sharply in the next week, and then lost most of this gain in the last part of the month. The advance reflected more active demand in Winnipeg and Liverpool, and the subsequent decline followed improvement in prospects for production in the Southern Hemisphere and increased offerings of new Argentine wheat.

The average price of all classes and grades at six markets for the week ended October 24 was 128 cents compared with 132 cents one week earlier and 128 cents, 2 weeks earlier. The average United States farm price of wheat on October 15 was 106.8 cents compared with 104.3 cents in September and 95.1 cents in October 1935.

The spread between United States markets and Liverpool has been narrower this year than during the past 3 years when crops were also below domestic utilization. The fact that Liverpool prices, both of parcels and futures, have reflected the larger proportion of high priced Manitobas than is usually the case accounts for part of this difference. However, during the last 2 months United States prices have increased relatively less than foreign prices. Chicago December futures are currently about 6 cents above Winnipeg December futures, whereas a year ago they were about 13 cents, and 2 to 3 years ago 18 to 25 cents above. No. 2 Hard Winter at Kansas City is about 16 cents above No. 3 Manitoba Northern at Winnipeg compared with about 35 cents a year ago, and about 25 to 30 cents, 2 and 3 years ago.

Table 3.- Wheat: Saturday closing prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1935	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935	1936
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	108	117	111	116	127	131	95	113	97	125	4/82	4/117
Low 3/	82	98	78	94	83	108	82	84	70	89	4/56	4/ 92
Oct. 3	108	115	111	113	126	128	95	109	97	120	81	96
10	104	116	108	114	121	130	91	111	95	123	78	101
17	101	116	103	114	118	129	89	112	95	124	76	99
24	99	115	101	113	114	129	86	108	94	119	76	94

1/Conversions at noon buying rate of exchange.
2/Prices are of day previous to other prices.
3/July 1 to date.
4/October, November, and December futures 1935; September, October, and November futures 1936.

Table 4.- Wheat: Weekly weighted average cash price at stated markets

Date	All classes and grades six markets 1935	All classes and grades six markets 1936	No. 2 Hard Winter Kansas City 1935	No. 2 Hard Winter Kansas City 1936	No. 1 Dk.N.Spring Minneapolis 1935	No. 1 Dk.N.Spring Minneapolis 1936	No 2 Hard Amber Durum Minneapolis 1935	No 2 Hard Amber Durum Minneapolis 1936	No. 2 Red Winter St. Louis 1935	No. 2 Red Winter St. Louis 1936	Western White 1/ Seattle 1935	Western White 1/ Seattle 1936
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	112	132	123	126	139	150	121	166	113	122	90	100
Low 2/	93	99	93	100	109	124	101	125	85	96	74	82
Oct. 3	111	127	122	122	137	147	116	151	110	119	88	96
10	112	128	123	122	139	148	121	157	113	121	90	97
17	105	132	116	125	133	150	118	157	109	122	88	99
24	104	128	114	122	132	148	118	147	105	121	86	98

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/ July 1 to date.

Table 5.- Wheat: Average price per bushel at specified markets in terms of United States currency, by weeks, August - October 1936

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/	Paris 7/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug. 1	117.4	139.7	94.7	107.0	106.2	98.5	232	201
8	121.8	150.0	102.5	111.6	115.9	100.8	232	204
15	121.7	144.3	97.4	108.0	112.2	104.3	232	---
22	125.7	143.7	97.7	107.7	112.5	108.9	209	---
29	120.5	143.4	92.4	104.8	108.4	104.4	209	---
Sept. 5	118.6	139.6	92.4	100.2	109.3	97.8	210	---
12	122.5÷	143.5-	96.2	100.1	113.9	97.1	210	---
19	122.0	144.1	101.1	99.7	117.6	99.5	210	---
26	125.9	149.5-	105.7	100.0	121.7	102.4	210	---
Oct. 3	122.0	146.9	103.8	97.2	118.9	104.7	213	---
10	121.8	148.2	105.8	100.9	121.4	108.3	212	---
17	124.9	150.2	109.8	103.0	126.5÷	112.4	212	---
24	122.2	147.8	106.5÷	99.3	124.8			

Prices are averages of daily prices for the week ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin and Paris prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, and Paris are converted to United States money at the current rates of exchange.

1/No. 2 Hard Red 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.
7/Free market prices from January 1, 1935.

Prospective Wheat Supply and Utilization by Classes for 1936-37

Total domestic supplies of all wheat for 1936-37 are indicated to be 764,000,000 bushels, consisting of 137,000,000 1/, bushels of carry-over on July 1 and a prospective crop, based on October 1 indications, of 627,000,000 bushels. These supplies will more than take care of the usual domestic utilization of soft red, white and hard red winter wheat, but supplies of hard red spring and durum will again be below normal minimum needs.

Total 1936-37 supplies (carry-over plus crop) of hard red spring wheat are estimated at 87,000,000 bushels. These supplies represent a reduction of 77,000,000 bushels in the supplies of a year earlier, which consisted of 31,000,000 bushels of imports in addition to 133,000,000 bushels of domestic wheat.

The shortage of hard red spring wheat will partially be taken care of by the excess of hard red winter wheat over average requirements and by the greater use of soft red and white wheats in bread flour. This year's crop of hard red spring wheat is of better quality than last year's crop but, because of shrivelled condition, is still below normal in milling yields. Based on substitution of other wheats, directly and indirectly, it would appear that the net deficit of hard red spring wheat this year, including an allowance for wheat "unfit for human consumption", may amount to about 30,000,000 bushels. Total supplies of hard red winter wheat are estimated at 310,000,000 bushels, an increase of 40,000,000 bushels over those of 1935, while total supplies of white wheat are about 15,000,000 bushels greater than a year earlier. Total supplies of soft red winter wheat in prospect, 234,000,000 bushels, are about the same as in 1935-36.

Total durum wheat supplies are tentatively placed at only 17,000,000 bushels. Based on past experience, a utilization of 20,000,000 bushels and a carry-over of 5,000,000 bushels seem to be about the minima which might be expected. If utilization and carry-over during the current season approximate these figures, a deficit of about 8,000,000 bushels is indicated. Substitution of other kinds of wheat for durum is unsatisfactory.

Total domestic utilization for 1936-37 is estimated at about 660,000,000 bushels. Exports are expected to be between 10,000,000 and 15,000,000 bushels, mostly from the Pacific Northwest, compared with 7,000,000 bushels in the 1935-36 season. If the estimated prospective deficits of hard red spring and durum wheat for milling and seed are taken care of by imports, total net imports would, accordingly, be indicated at about 25,000,000 bushels compared with 28,000,000 bushels last year. This would leave a carry-over on July 1, 1937 of about 130,000,000 bushels.

Preliminary estimates of the prospective supplies of wheat by classes for 1936-37, together with the supply and distribution for 1935-36 are shown in table 6, page 8.

1/ Revised carry-over figure, see table 7.

Table 6.- Wheat: Supply and distribution, 1935-36 and prospects for 1936-37, by classes

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
1935-36 -						
Stocks, July 1......	67	32	26	5	16	146
Production	203	204	107	24	85	623
Imports	---	---	1/ 31	4	---	35
Total supply..	270	236	164	33	101	804
Exports 2/.........	3		---	---	4	7
Disappearance.......	217	209	1/129	25	80	660
1936-37 (Prospects)						
Stocks, July 1	50	27	35	8	17	137
Production 3/......	260	207	52	9	99	627
Total supply 4/	310	234	87	17	116	764
Exports 2/..........	3	---	---	---	10	13
Disappearance.......	257	210	85	20	88	660
"	257	219	95	22	97	690
Stocks, July 1,1937	50	24	1/33	5	18	130
"	57	-15	68	3	10	103
Deficit	---	---	31	8	---	39

Reported Aug 1937 wheat out.

1/ Includes imports of wheat "unfit for human consumption".
2/ Include shipments to possessions, also flour in terms of wheat.
3/ October estimate.
4/ Without imports.

Wheat Supply and Distribution Table Revised

Table 7 (following page) shows the wheat supply and distribution table as now changed. Most of the revisions were published in the July issue of World Wheat Prospects. At that time the import figures were changed so as to eliminate wheat imported for milling in bond and export as flour, and also wheat and flour imported and reexported. Previously, these two items had been included both on the supply side and on the distribution side, thereby complicating interpretation. The table published in July included unrevised figures of stocks in merchant mills and elevators and stored for others, and also unrevised figures on wheat used for seed. These have now been revised. The item "in transit to merchant mills" has been dropped because it has been found that it included mostly "to arrive" wheat, which implies a duplication of stocks already accounted for. If satisfactory figures can be determined for this item, they will be added later.

Figures for wheat fed on farms of wheat growers have been incorporated in the table for the first time. The item "foods and commercial feeds", also a new designation, constitutes the balancing item, which is the difference between total supplies and the items accounted for.

Table 7.- Wheat: Supply, distribution, and disappearance in continental United States, 1923-24 to 1936-37

Crop year beginning July	Supply: Stocks July 1: On farms	Supply: Stocks July 1: In country elevators and mills	Supply: Stocks July 1: Commercial stocks 1/	Supply: Stocks July 1: In merchant mills and elevators and stored for others 2/	Supply: Stocks July 1: Total 5	Supply: New crop	Supply: Imports (flour included) 3/	Supply: Total supply
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1923-24	35,239	37,117	28,956	31,000	132,312	759,482	14,578	906,372
1924-25	29,349	36,626	38,112	33,000	137,087	840,091	304	977,482
1925-26	28,638	25,287	28,900	25,576	108,401	668,700	1,747	778,848
1926-27	27,071	29,501	16,148	27,505	100,225	832,213	77	932,515
1927-28	26,640	21,776	21,052	40,038	109,506	875,059	188	984,753
1928-29	19,588	19,277	38,587	34,920	112,372	914,373	91	1,026,836
1929-30	45,106	41,546	90,442	51,279	228,373	823,217	53	1,051,643
1930-31	60,216	60,166	109,327	59,170	288,879	886,470	354	1,175,703
1931-32	37,867	30,252	203,967	41,206	313,292	936,831	7	1,250,130
1932-33	93,448	41,585	168,405	71,714	375,152	756,927	10	1,132,089
1933-34	82,882	64,296	123,712	107,052	377,942	551,683	153	929,778
1934-35	62,516	48,150	80,548	83,114	274,328	526,393	14,069	814,790
1935-36	44,339	31,799	21,951	47,529	145,618	623,444	34,635	803,747
1936-37	43,760	23,776	20,647	48,556	136,739	4/ 627,233		

1/ 1923 to 1926 Bradstreets, excluding country elevator stocks.
2/ Stocks in merchant mills and elevators: 1923 and 1924 estimated in absence of actual figures, 1925 to date, Bureau of Census raised to represent all merchant mills. Stored for others: 1923 to 1929 estimated in absence of actual figures: 1930 to date. Bureau of Census raised to represent all merchant mills.
3/ From reports of Foreign and Domestic Commerce of the United States: imports include full-duty wheat, wheat paying a duty of 10 percent ad valorem, and flour in terms of wheat.
4/ Preliminary.

Table 7.- Wheat: Supply, distribution, and disappearance in continental United States, 1923-24 to 1936-37 - cont'd

Crop year beginning July	Distribution: Exports and shipments 1/: Exports (wheat only)	Exports flour as wheat	Shipments (flour in-cluded) 2/	Total	Disappearance: Seed	Feed (fed on farms of wheat growers)	Foods and commercial feeds 3/	Total	Carry-over 4/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1923-24	78,793	67,213	2,973	148,979	74,103	66,857	479,346	620,306	137,087
1924-25	195,490	59,478	2,871	257,839	79,903	55,956	475,383	611,242	108,401
1925-26	63,189	31,428	2,741	97,358	78,843	28,214	474,208	581,265	100,225
1926-27	156,250	49,761	3,082	209,093	83,279	34,262	496,375	613,916	109,506
1927-28	145,999	45,228	2,692	193,919	89,879	44,500	544,083	678,462	112,372
1928-29	103,114	38,106	3,172	144,392	83,677	55,315	515,079	654,071	228,373
1929-30	92,175	48,179	2,983	143,337	83,353	59,323	476,751	619,427	288,879
1930-31	76,365	36,063	2,850	115,278	80,886	157,188	509,059	747,133	313,292
1931-32	96,521	26,376	2,757	125,654	80,049	173,727	495,548	749,324	375,152
1932-33	20,887	10,979	3,023	34,889	81,161	124,912	513,185	719,258	377,942
1933-34	18,800	6,798	2,779	28,377	75,511	72,261	479,301	627,073	274,328
1934-35	3,019	7,512	2,783	13,314	82,467	83,593	489,798	655,858	145,618
1935-36	311	3,896	2,908	7,115	88,373	97,533	473,987	659,893	136,739
1936-37									

1/ From reports of Foreign and Domestic Commerce of the United States. Exports include only flour made from domestic wheat; 1923-35 estimated on basis of total exports less wheat imported for milling in bond and export adjusted for changes in carry-over; 1935-36 figure for exports of flour wholly from United States wheat.
2/ Shipments are to Alaska, Hawaii, Puerto Rico, and Virgin Islands (Virgin Islands prior to December 31, 1934, included with domestic exports).
3/ Balancing item.
4/ For individual items see supply section.

The Wheat Outlook for 1937-38

Domestic Prospects

A wheat crop considerably in excess of domestic needs will be produced in the United States in 1937, and prices will decline toward an export basis, if near-average yields are obtained on prospective acreage.

The acreage seeded to wheat for the 1936 crop was the second largest acreage on record. With higher prices than at seeding time last fall and sufficient moisture for seeding and germination over practically all of the winter wheat area, it seems likely that the 1937 wheat acreage will be at least as large as that of 1936. If this proves to be the case, production will exceed average domestic utilization unless growing conditions are so unfavorable as to reduce yields 25 percent or more below average. Nothing in the present situation indicates so great a reduction in yields, although fall moisture supplies do suggest that yields may be slightly below average if normal weather conditions prevail during the remainder of the 1937 crop season.

Spring wheat producers will want to consider the development of the winter wheat crop in formulating their acreage plans for 1937. If, at spring wheat seeding time, the winter wheat crop still gives promise of average or near-average yields, prices for the 1937 crop may be expected to be materially lower than during the past 3 years, when production was below domestic utilization. Under such conditions, many spring wheat farmers who are in a position to plant flax may find that crop an attractive alternative. If, on the other hand, the winter wheat crop appears to be headed for a fifth year of low yields, prices may be expected to be somewhat comparable to those of the current season.

For the long-time outlook, however, there can be little question but that yields will approximate the average of past years and that the present acreage will produce, on the average, quantities considerably in excess of the usual domestic utilization. If the 1936 total acreage of 74,500,000 acres is maintained, average yields (11.8 bushels per seeded acre, 1925-34) would result in a production of 880,000,000 bushels, which is about 225,000,000 bushels greater than our annual domestic disappearance. The average acreage in the 1929-33 period was 66,850,000 acres.

World prospects

The closer adjustment of world supplies to prospective requirements, which has taken place in the last few years, has resulted from a series of unfavorable crops in important surplus producing countries, largely as a result of drought, rather than from a curtailment of acreage. In Canada, where the effect of the drought has been about as great as in the United States during the 3-year (1933-35) period, average production declined about 35 percent compared with the 5-year (1927-31) period. At the same time, planted acreage declined only about 1 percent. If another small production in 1937-38 only about offsets the prospective decline in carry-over stocks during the current season, world prices would be expected to remain at high levels. If on the other hand, near-average acreage yields should be obtained, production would be in excess of the prospective world requirements and would result in lower world prices. The present world acreage is so large that average acre-yields over a period of years would again result in large world surpluses.

If weather conditions are more nearly normal in the important wheat exporting countries in 1937-38, the export market is not likely to be dominated by supplies in any one country. This should tend to remove some of the uncertainty that prevailed during the last marketing year, when Canada held most of the world's export surplus.

World prices are a factor in determining the level of American prices so that in the long-range outlook, the export market is of concern to all American wheat growers. Increased production of wheat in the Orient and competition from Australia definitely limit the market for American wheat in the Far East. Production of wheat in Europe will probably be maintained near present levels with a tendency for the importing countries to depend upon neighboring sources of supplies insofar as possible. A return to pre-depression (1925-29) exports of wheat from the United States, therefore, appears highly improbable even over a period of some years.

European Wheat Acreage and Yield in 1936 and Prospects for 1937 2/

The 1936 wheat area for harvest in Europe, excluding Russia, is estimated at 76,455,000 acres compared with 78,916,000 acres a year ago and the 5-year (1930-34) average of 76,043,000 acres. The decline of about 2,470,000 acres from last year's wheat area is the first important change in the European acreage in several seasons. The net acreage changes for the preceding 3 years were less than 494,000 acres or around one-half of 1 percent of the total area. While it is believed that the peak of wheat acreage has been about reached in Europe, the reduction in the 1936 acreage from last year and other recent years should not be regarded as definite evidence of a downward trend in acreage. The 1936 decline is largely the result of very unfavorable fall seeding conditions, particularly in Rumania, Spain, France, Portugal, and the Baltic States and to considerable abandonment in part of the Mediterranean area on account of continued heavy rains during much of the season.

Table 8.-Wheat: European acreage in 1936 with comparisons

Region	Average 1924-28	Average 1929-33	1933	1934	1935	1936
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
21 countries	51,219	54,952	57,955	58,039	58,246	55,998
Danube Basin	18,755	19,588	19,857	19,644	20,670	20,457
Total Europe	69,974	74,540	78,059	77,683	78,916	76,455

The 1937 wheat area, barring another unfavorable season for planting, or high abandonment, is expected to exceed the 1936 acreage and may approach that of 1935. The countries showing important declines this season, except possibly Spain, are expected to record some increase next year, and some further increase seems likely for the Danube Basin. Of importance, however, will be the developments in Spain during the fall seeding period. Spain, normally, has one of the largest wheat areas of Europe, and to the extent that

2/ From reports of foreign offices of Foreign Agricultural Service.

the unsettled political situation may disturb agricultural activities the acreage may be reduced and thus lower the European total. The Czechoslovakian grain monopoly's announced plan for 1936-37 calls for a 20-25 percent reduction of the wheat area on account of the present burdensome carry-over supplies. While it seems doubtful that the full reduction can be achieved some decline seems probable. It is the only example, at present, of a definite effort to reduce acreage. The tense political situation in Europe along with reduced stocks in most countries seems likely to postpone any further official action to discourage wheat production, a development which seemed to be gaining favor in many countries a year ago. New record acreages were recorded in 1936 for the Irish Free State and Finland, and further expansion in wheat area seems to be desired by these countries.

The fall seeding plan in Russia shows a further increase for the wheat area, the announced figure being 36,818,000 acres compared with 34,718,000 acres sown in 1935. The figures for Russia, however, are not included in the European total and, as much of the increase in the winter wheat area appears to be at the expense of rye, the net change in bread grain acreage is not as significant as it would seem at first glance.

Yields in several countries in 1937 will, doubtless, be larger than in 1936, but in others they will probably be smaller, so that the net change may not be greatly different from the present average figure of about 20 bushels per acre. This yield figure is the average for the past 8 years, and it is also virtually the same as the 5-year moving average during this period, 1929-36. The 5-year moving average for the next period, 1933-37, however, may somewhat exceed the figure of 20 bushels per acre, (probable limit 20.5), especially if a generally good crop is harvested. After that, however, the average seems likely to decline slightly, or barely be maintained until another exceptional year like 1933, is experienced.

Some increase above the low level of yields noted this year in Mediterranean countries is not at all improbable. As France, Spain, and Italy generally account for nearly half of the total European wheat crop an important increase in yields in these countries will be very difficult to offset. If these countries have increased yields, larger crops will probably also be harvested in the French North African region. The unsettled domestic political situation in Spain, however, may result in a decreased acreage in that country. Were Spain eliminated from this group of countries they would still constitute about one-third of the European total. Inasmuch as the Danube Basin countries report very good crops this year, and production in that region during recent years has shown a strong tendency to fluctuate, it seems not unlikely that a somewhat smaller outturn might be harvested in this region in 1937. As the Danube crop, however, usually accounts for only about 20 percent of the European total, it is unlikely that any decrease recorded in this region next year could offset the increase that might be made in France, Spain, and Italy. This leaves the crop in Central Europe, particularly in Germany, Poland, and Czechoslovakia, which on the average accounts for nearly another 20 percent of the European total, as very important in determining the possible trend in production. The crop in these countries this year shows no marked changes from last year or from average. Thus, if the crop in this region is also unchanged next year, the net result for Europe might easily be an increased total for wheat. If a larger crop is harvested in both this region and the Mediterranean countries, there is little doubt that the European total will be considerably larger than this year. In case a smaller crop is harvested in these Central European countries, however, the total for Europe may not be greatly changed from the 1936 outturn, though, in any event, some increase over this year would not be surprising unless Europe, as a whole, experiences a generally unfavorable crop year.

Table 9.- Wheat: World supply, disappearance and price, 1922-23 to date

Year	Production: United States	Production: Canada Argentina and Australia	Production: Europe	Production: All other	Production: World production	Net exports from Russia	Stocks on about July 1	Total supply 1/	Total disappearance	British parcels, average price per bushel 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1922-23	847	705	1,045	606	3,203	1	588	3,792	3,216	92
1923-24	759	847	1,257	656	3,519	21	576	4,116	3,397	84
1924-25	842	618	1,058	610	3,128	---	719	3,846	3,280	110
1925-26	669	701	1,397	613	3,380	27	566	3,973	3,318	108
1926-27	832	798	1,216	647	3,493	49	655	4,198	3,511	108
1927-28	875	880	1,274	644	3,673	5	687	4,365	3,612	104
1928-29	914	1,076	1,410	596	3,996	---	753	4,749	3,722	91
1929-30	823	595	1,451	705	3,574	7	1,027	4,608	3,665	101
1930-31	886	867	1,360	734	3,847	112	943	4,902	3,848	75
1931-32	936	732	1,436	756	3,860	70	1,054	4,984	3,943	76
1932-33	757	898	1,492	718	3,865	17	1,041	4,921	3,779	78
1933-34	552	745	1,745	767	3,809	34	1,142	4,985	3,818	70
1934-35 3/	526	650	1,548	789	3,513	2	1,167	4,682	3,762	79
1935-36 3/	623	561	1,577	793	3,554	29	920	4,503	3,756	84
1936-37 3/	627	602	1,494	739	3,462	---	747	4,209		

1/ Excludes production and stocks in Russia and China.
2/ Deflated by Statist Index (1910-1914 = 100), and converted at par.
3/ Preliminary.

Table 10.-Wheat: Stocks in major exporting countries and afloat, as of July 1, 1922 to date

Year	United States 1/	Canadian grain 2/	Argentina	Australia	United Kingdom 3/	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1922	110	48	81	27	61	327
1923	134	45	66	40	56	341
1924	137	67	77	36	62	379
1925	111	48	71	37	51	318
1926	101	62	83	28	53	327
1927	111	66	87	47	59	370
1928	115	128	105	44	61	453
1929	232	152	153	48	61	646
1930	294	154	68	58	44	618
1931	327	158	92	80	56	713
1932	391	161	71	59	56	738
1933	382	238	96	71	44	831
1934	274	222	141	102	48	787
1935	146	226	103	69	38	582
1936	137	155	73	51	37	453

Compiled as follows: United States - Stocks on farms, in country mills and elevators, commercial, in merchant mills and elevators, in transit to merchant mills and elevators, and stored for others by merchant mills. Canada - 1922-1923, carry-over August 31, plus net exports and retention of flour during July and August. 1924 to date, carry-over July 31, plus net exports and retention of flour for July. Argentina - carry-over on December 31, plus exports and domestic consumption, July 1 to December 31. Australia - 1922 - 1924; exports only plus domestic consumption, July 1 to November 30. 1925 to date, carry-over on December 1, plus net exports and domestic consumption July 1 to November 30.

1/ Includes United States wheat in Canada.
2/ Includes Canadian wheat in United States.
3/ Includes stocks in United Kingdom ports, supplies afloat to United Kingdom, Continent, and for orders.

Table 11.- Surplus for export or carry-over in the three principal exporting countries, United Kingdom port stocks and stocks afloat, October 1, 1933-36 1/

Position	1933	1934	1935	1936
	Million bushels	Million bushels	Million bushels	Million bushels
Canada:				
In Canada	359	333	325	196
In United States	6	14	21	19
Argentina	23	55	36	19
Australia	30	59	31	16
Total	418	461	413	250
United Kingdom port stocks	13	15	6	6
Stocks afloat to:				
United Kingdom	12	12	12	16
Continent	11	11	7	10
Orders	11	10	5	3
Total	47	48	30	35
Total above	465	509	443	285

1/ Represents approximately total stocks of wheat minus domestic requirements for the remainder of each country's crop year, i.e., minus domestic requirements for September - June in the case of Canada, September - November in the case of Australia, and September - December in the case of Argentina.

Table 12.- Wheat,including flour: Movement from principal exporting countries, 1933-34 to 1936-37

Country	Exports as given by official sources: Total 1933-34	Total 1934-35	Total 1935-36	July 1 to date shown 1934-35	July 1 to date shown 1935-36	July 1 to date shown 1936-37	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	37,002	21,532	15,930	8,203	3,833	5,461	Sept.30
Canada	198,555	169,630	237,447	50,630	53,382	73,239	Sept.30
Argentina	144,854	187,000	76,577	51,729	32,740	12,817	Sept.30
Australia	86,509	108,010	102,258	7,647	7,523	4,098	July 31
Russia	33,787	4,286	29,704	481	247	246	July 31
Hungary	29,615	12,499	14,644	356	414	2,964	July 31
Yugoslavia	839	4,401	728	218	38	79	July 31
Rumania	248	3,432	9,996	0	0	0	July 31
Bulgaria	4,236	375	987	0	0	151	July 31
British India	2,084	2,318	2,529				
Total..........	537,729	513,483	490,800				

Country	Shipments as given by trade sources: Total 1934-35	Total 1935-36	Week ended Oct. 10	Week ended Oct. 17	Week ended Oct. 24	July 1 - Oct. 24 1935-36	July 1 - Oct. 24 1936-37
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 1/.....	162,832	219,688	5,203	3,590	4,049	48,968	89,800
Canada,4 markets 2/	176,059	246,199	7,449	7,103	9,982	118,842	102,823
United States	20,997	14,207	573	323	209	4,355	5,614
Argentina	186,228	77,384	460	1,568	1,979	39,288	17,627
Australia	111,628	110,060	792	1,540	1,062	28,384	20,602
Russia	1,672	30,224	88	0	0	15,096	88
Danube & Bulgaria 3/	4,104	8,216	1,968	2,024	2,952	4,056	25,752
British India	4/2,318	4/2,529	152	424	808	136	3,128
Total 5/.....	468,782	448,101				135,928	156,997
Total European shipments 1/.......	387,752	355,032	8,040			6/92,136	6/105,824
Total ex-European shipments 1/.......	147,938	133,528	2,360			6/32,080	6/41,992

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

Table 13.- United States: Exports of wheat and wheat flour, 1935-36 and 1936-37 1/

Week ended	Wheat 1935-36	Wheat 1936-37	Wheat flour 1935-36	Wheat flour 1936-37	Wheat including flour 1935-36	Wheat including flour 1936-37
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July - Aug.	74	204	518	396	2,509	2,065
Week ended -						
Sept. 5 ...	0	111	14	35	66	275
12 ...	10	0	34	40	170	188
19 ...	2	261	26	37	124	435
26 ...	2	51	30	23	143	159
Oct. 3 ...	0	92	31	67	146	407
10 ...	3	366	24	44	116	573
17....	0	205	35	25	164	323
24....	1	45	20	35	95	209

Compiled from reports of the Department of Commerce.

1/ Includes flour milled in bond from foreign wheat.

Table 14.- Wheat, including flour: Shipments from principal exporting countries, specified dates, 1935-36 and 1936-37

Week ended	Argentina 1935-36	Argentina 1936-37	Australia 1935-36	Australia 1936-37	Danube 1935-36	Danube 1936-37	North America 1935-36	North America 1936-37
	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 - Aug.	21,608	8,576	12,944	9,496	1,096	6,248	48,488	91,109
Week ended-								
Sept. 5	2,432	808	1,388	1,356	88	1,336	2,256	5,072
12	3,440	1,336	1,560	960	456	3,552	2,784	5,624
19	2,564	952	2,384	1,344	56	2,872	3,672	6,048
26	1,056	792	1,824	2,176	296	1,800	3,680	4,744
Oct. 3	3,136	1,156	1,936	1,376	344	3,000	3,944	5,366
10	1,880	460	1,808	792	400	1,968	3,968	6,512
17	1,368	1,568	2,508	1,540	544	2,024	3,928	3,590
24	1,804	1,979	2,032	1,062	776	2,952	3,664	4,049

Compiled from Broomhall's Corn Trade News.

Table 15.-Wheat, including flour: Net imports into European countries, year beginning July 1, 1935-36 to 1936-37

Country	1935-36	1936-37 forecast 1/	Net imports reported: July 1 to	Net imports reported: 1935-36	Net imports reported: 1936-37
	Million bushels	Million bushels		Million bushels	Million bushels
Austria	7	10	Aug. 31	2	2
Belgium	39	40	Aug. 31	7	7
Czechoslovakia ...	1	2/ 7	Aug. 31	3/	4/
Denmark	9	10	Sept. 30	2	2
Finland	4	3	Aug. 31	1	1
France	5/ 6	~~5~~ 41	Apr. 30	2/ 8	6
Germany	3/	11	Aug. 31	3/	4/
Greece	5/ 11	17	Apr. 30	10	11
Irish Free State ..	15	14	Sept. 30	4	4
Latvia	2/ 2	1	July 31	2/ 1	4/
Netherlands	21	22	Aug. 31	4	3
Norway	8	8	Sept. 30	2	1
Poland	2/ 8	2/ 6	Aug. 31	2/ 2	2/ 2
Portugal	2/ 3	4	July 31	3/	3/
Spain	3/	6	July 31	4/	0
Sweden	2/ 2	1	Aug. 31	2/ 1	2/ 1
Switzerland	17	17	July 31	2	2
United Kingdom	205	220	Sept. 30	46	48
Total imports of above	341	425 ~~435~~		80	87
Italy (not included above) 6/	7	45			
Total imports	348	470			
Total exports ...	15	13		12	3
Total, net imports.	333 ~~326~~	457 ~~422~~		68	84

Compiled from official sources, except as otherwise stated.

1/ Estimate of the Berlin office of Foreign Agricultural Service.
2/ Net exports.
3/ Less than 500,000 bushels.
4/ Net exports of less than 500,000 bushels.
5/ Total of first 10 months.
6/ ... import figures not available for Italy
Ford 425
33
458
13
445
120
565
Total imports
Less
Europe ex-Italy
Czech 6
Pol 13
470
120
590
457
120
577