

Weekly Review of the Grain Trade

WHEAT

American fears of damage to the winter wheat crop from alternations of freezing and thawing, coupled with the cold wave in Europe, have contributed to a steady week's market at Chicago. There, the premium for May delivery over the loan basis is now 7c a bushel, but Winnipeg and Buenos Aires futures are fluctuating within a narrow range above the fixed minima; both these markets have to contend with an overwhelming weight of domestic surplus supply and are not particularly sensitive to outside "constructive" influences. Export business appears to have been of a very minor character during the week. Vancouver has recently reported a flour demand from China, but some contracts have not been accepted owing to the lack of shipping facilities. In the United States, the Red Cross is inquiring for flour to be shipped to Spain. No details of British buying are being publicly disclosed, though we have little doubt that most of our orders are being placed in Canada. F.o.b. quotations of Manitoba are $\frac{1}{2}$ d. lower to 1d. per qr. higher on the week. World shipments last week were very small; the total, exclusive of Australia, amounted to 423,000 qrs., compared with 628,000 in the previous week.

According to an official computation, the surplus of old and new Argentine wheat, as on January 1st, 1941, amounted to 24,242,000 qrs. Under present restricted trading conditions, we doubt whether more than 50 per cent. of this surplus will leave the Plate seaboard in the coming twelve months. Even Brazil is cutting down her purchases of Argentine wheat and so far as Europe is concerned, business is restricted to Spain and the United Kingdom. No doubt the United Kingdom would very willingly place larger orders for Plate wheat, were the need for economizing tonnage any less serious than it is, but, in the words of Lord Willingdon, it seems inevitable that we shall buy less and less agricultural produce in Argentina the longer the war lasts. Canada is our granary and must remain so until the peace treaty is signed.

In view of these considerations, we deem it probable that the acreage control provision of the new wheat stabilization scheme in Argentina will be enforced in 1941. The three main provisions of the Argentine Government's wheat scheme are (1) a guaranteed price of 6.75 pesos per quintal delivered Buenos Aires. (2) Millers to pay the Grain Board 9 pesos per quintal, or, if buying privately at 6.75 pesos, to pay the Government the difference of 2.25 pesos and, finally (3) growers not to increase their wheat acreage this year or, if requested, to reduce the acreage by 10 per cent.

This is the first time that the principle—previously tried out in the United States and Australia—of burdening the home miller with the cost, or part of the cost of a wheat stabilization scheme, has been introduced in Argentina. Furthermore, the tax is not a light one. It may be reckoned that Argentine millers need some 26 million quintals (say 12 million qrs.) of wheat per annum, which represents about $33\frac{1}{2}$ per cent. of the total stock of wheat in the country. The milling tax of 2.25 pesos per quintal should, therefore, yield a gross sum of approximately $58\frac{1}{2}$ million pesos. In previous years, the Government relied mainly on the Exchange Profits Fund to finance subsidized wheat exports. The profits from the Exchange Fund will continue to accrue, and subject to the proviso that the wheat surplus is eventually sold and does not go out of condition, there should be little, if any, need for supplementary Treasury calls in 1941. It is very desirable that this should be so, seeing that the same methods cannot possibly be employed in respect of maize and linseed, the home consumption of which is, relatively to the total production, of little importance.

The acreage control provision of the Argentine wheat scheme means, in respect of 1941, that the new acreage will reach either the 1940 figure of 17,270,000 acres or it will be 10 per cent. less than this, say $15\frac{1}{2}$ million acres. However, in a country such as Argentina, where the yield per acre is subject to remarkable variations, a 10 per cent. difference in the acreage may not mean a great deal. For example, the wheat crop in 1940 has been officially estimated at $36\frac{1}{2}$ million qrs. and, given similar weather conditions, a crop of well over 30 million qrs. can be raised from an area of $15\frac{1}{2}$ million acres. In an adverse season, such as was experienced in 1939, the crop might not exceed home requirements.

The principle of acreage control has now been accepted by Australia, Argentina and the United States of America. Canada has not yet decided on the point but a decision must be made well before seeding time in April. It is unfortunate that the war has greatly aggravated the problem of surplus production in all the major exporting countries and we must not be impatient if ex-

pedients are adopted which, in more peaceful times, would have been regarded as economically unsound and, from almost every point of view, undesirable.

MAIZE

The market has been very steady in the past week and shippers' quotations of Plate and African show no alteration since last Monday. It is, of course, difficult to see how Plate shippers can reduce prices, now that the Argentine Government has fixed a minimum price for maize. It has already been seen that, when prices were lower, the demand was only on a small scale and no doubt the Argentine Government is convinced that any reduction in prices would fail to bring about the desired improvement in trade.

Supplies are moving down to the Argentine shipping ports on a very small scale and outgoing remain, as hitherto, disappointing, with the result that the huge surplus in Argentina is being reduced only slowly. This week's shipments total 129,000 qrs., compared with 103,000 in the previous week. Nothing has been cleared from the United States or Danubian countries, but small quantities are being shipped from South Africa to the United Kingdom and Canada.

The latest issue of the "Times of Argentina" comments as follows on the maize situation: "There are no means of disposing of our huge maize surplus abroad during the progress of the war. On top of this, Argentina has sown a very fair area for the next crop and it has made a good start. What can be done with the maize? We have already stated that every effort should be made to persuade farmers to put maize into hogs, but admit that this, in itself, will not account for all the surplus. Another scheme would be to make maize bread for people in the north, where unemployment is already rife. Sell such bread for account of the Government at about 30 per cent. of the cost of wheat bread. This, of course, would reduce the milling demand for wheat, but, as we have already pointed out, the wheat situation is not so difficult as maize. From all accounts, attempts to sell maize in cob as fuel have, in the main, failed. In the first place, coal and petroleum are obtainable fairly cheaply and, secondly, experiments with maize have proved rather costly. One hears that the Government has decided to carry out public works on a major scale in order to provide work for the unemployed. It would not be a bad idea to construct modern barns in various districts for the storing of maize and other cereals. The country sadly requires modern storage. Several elevators are already in course of erection, but what is required to-day are concrete barns for storage, with proper airing facilities. These could be erected at little cost and provide not only work for several hundred, but would also provide facilities for the carrying of our grain. After the war, there will be a big demand for all the maize we have in stock."

Crop news from Argentina continues very favourable. After the excellent rains that fell during December, the plant is in good fettle and growth is rapid. Present conditions can be compared with those at this time last year and provided that the weather during the remaining weeks of growth is not too hot and dry, we believe that Argentina for the second year in succession will obtain a large crop. In South Africa, the weather has been fairly favourable for the growing maize crop and present conditions are satisfactory. No mention has been made of the area planted in 1940/41, but as a rule the acreage in South Africa does not vary to any extent from year to year.

Reports from the United States say that major changes in the Administration's farm programme are being planned by the Department of Agriculture. Faced with mounting commodity stocks under the loan programme and dissensions among farmers in certain areas over the marketing quota restrictions now in force, farm administration officials are discussing legislation for submission to the new Congress, which will embrace a different approach to the farm problem. It is believed that the present policy of providing loans for growers will be abolished and that instead a minimum price level will be fixed which will be financed by a processing tax. The Chicago market in the past week has been very steady and final quotations show little change from a week ago. The weather has been very favourable for conditioning the crop and this has led to the belief that marketings may become larger. Meanwhile receipts in the past week were very small, the total amounting to only 1,624,000 bushels, compared with 2,827,000 in the previous week and 2,616,000 bushels in the corresponding week of last season.

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THE WEEK'S MARKETS

SOUTH-EAST

CANTERBURY, 4 January.—Wheat, supplies short, 65/3. Oats, inquired for, 43/6.

EAST MIDLANDS

NORTHAMPTON, 4 January.—Wheat, in small supply, 65/3. Barley, less inquiry, 75/- to 80/-. Oats, 43/6.

EAST ANGLIA

NORWICH, 6 January.—Wheat, 65/3. Oats, 43/6. Fair supply of barley, with slow demand, prices easier: Common, 84/-; medium, 86/- to 90/-; best, 95/-. Weatings and bran, £8 17/6 per ton, net, ex country mill, for one-ton lots, or over. Good demand for any feeding-stuffs available. National straight-run flour, 25/6.

NORTH

BERWICK, 4 January.—Wheat, 65/3. Barley, in small supply, 91/-. Oats, 43/-; seed, 45/-.

DONCASTER, 4 January.—Wheat, 65/3. Barley: Malting, 76/- to 80/-; grinding, 58/-. Oats, 43/6.

LEEDS, 7 January.—Only small supplies. All grain, except malting barley, in good demand, prices unchanged.

LEITH, 8 January.—Home and foreign flour, in moderate demand, prices unchanged. Wheatfeed, in good demand, unchanged prices.

MANCHESTER, 9 January.—Flour, demand quite good, mills busy: National straight-run, 25/6. Wheatfeed, no slackening in the demand: Weatings and bran, per cwt., 8/7½ ex mill, delivered, gross weights, sacks included.

WEST

TAUNTON, 4 January.—Wheat, in very small supply, 65/3. Barley, more offered, 72/- to 78/-; better quality, 96/-.

GLOUCESTER, 4 January.—English grain, in moderate supply; some inquiry for spring seed. Milling wheat, 65/3; seed, 1/- per cwt. extra. Barley, trade firmer: Malting, 68/- to 86/-; no grinding samples offered. Oats, in keen demand, 43/6. Imported wheat, prices unchanged.

HEREFORD, 8 January.—Wheat, 65/3. Barley, 72/- to 84/-. Oats, 43/6.

SOUTH-WEST

DORCHESTER CORN EXCHANGE, 4 January.—Moderate attendance; trade rather dull. English wheat, not offered too freely, 65/3. Occasional sample of

malting barley, 75/- to 82/-; feeding quality, not available. English oats, business active, firm, 43/6; seed, 44/6. Imported wheat, allocations maintained. Maize and imported barley, very scarce. Weatings and bran, scarce, wanted. Flour, trade very consistent, 25/6.

SOUTH-WEST, 7 January.—A good, steady trade in English cereals. Wheat, supplies moderate to good, 65/3. Malting barley, 75/- to 85/-; feeding quality, 58/- to 60/-. English oats, selling freely, 43/6. Allocations of imported wheat adequate for millers' requirements. Maize and imported barley, wanted. Wheatfeed, urgently wanted, very scarce. Flour, trade good.

HANTS AND DORSET, 7 January.—The flour trade is quite good in all districts. Bakers are most consistent in placing their orders, and the quality meets with general approbation. Weatings, bran, and all feeding-stuffs, wanted everywhere, especially crushed oats.

Corn Prices

The following table shows the average prices of English grain: Wheat, barley and oats, for the week ended January 4th, with comparisons. The figures are based on those issued by the Ministry of Agriculture and Fisheries, from the returns of the Inspector of Corn Returns (Corn Returns Act, 1882).

	Ave. prices per quarter		
	Wheat. (504 lb.)	Barley. (448 lb.)	Oats. (336 lb.)
	s. d.	s. d.	s. d.
Week ended 4 Jan., 1941	65 7	88 0	44 0
Previous weeks—			
Ended 28 Dec., 1940	65 7	87 0	43 6
" 21	65 7	86 0	43 6
" 14	65 7	84 0	43 9
" 7	65 7	84 8	43 6
Corresponding week of—			
1940	31 10	68 4	45 6
1939	20 2	31 8	18 6
1938	37 7	53 4	25 6
1937	43 10	40 8	24 6
1936	27 11	33 0	18 0
1935	21 4	32 8	20 6

Machinery, Plant and Appliances

The Board of Trade draws the attention of manufacturers of machinery, plant and appliances, and of those wishing to acquire them, to an amendment in the Statutory Rules and Orders governing the sale or transfer of machinery and to extension of the Orders to include additional machinery, plant and certain appliances. The new Order, the Machinery, Plant and Appliances (Control) Order, 1940 (S.R. and O., 1940, No. 2,179) came into force on 1st January, 1941. Copies, price 1d. each, are obtainable from the Stationery Office.

THIS WEEK'S SPOT PRICES

LONDON

Cereals and Cereal Products not destined for feeding purposes.

WHEAT — English, at farm, per 504 lb. 65/3 Imported—All grades, ex ship 52/9	MAIZE PRODUCTS —Per ton, ex-ship. Maize Grits £11 3/- to £16 3/- Others £11 3/5
FLOUR —Per sk. 280 lb.— Delivered. National Straight-run 25/6 All English Straights (bags included) 26/- Canadian Straight-run (bags included) — Australian (thick bags included) 25/9	OATS — English Millable, at farm, per 336 lb. 43/6 All grades imported, ex ship, per 320 lb. —
BARLEY —Per 448 lb., ex farm. 75/- 110/- English feeding, ex farm, per 448 lb. ... 58/- Australian Chevalier ex-ship — Other grades, ex ship per 400 lb. —	OAT PRODUCTS — Imported Rolled Oats, per cwt., ex store... 19/6 Imported Oatmeal, per cwt. 18/-
K. MAIZE —Per ton, ex-ship. Cinquantina £11 16/6 Other grades £10 3/10	PEAS — Japanese Green, per ton, ex store £45 15/-
	BEANS — Madagascar Butters, per ton ex-store..... —

* Not controlled.

Cereals and Cereal Products destined for feeding to animals.

WHEAT — Imported Millable, per ton, ex-store £14 10/-	BARLEY PRODUCTS — Barley Meal, Grade II, and Barley Meal, ex store £16 15/-
MAIZE — Whole Maize (for feed- ing purposes), max. price per ton, ex store £10 0/-	WHEAT BY-PRODUCTS — Fine Wheatfeed and Straight-run Bran, home-milled, per ton ex-store £8 12/6 Straight-run Bran, from white wheat, home- milled per ton, ex- store £9 12/6 Australian pollards, bran and middlings: per ton, ex-store £9 12/6 Pollards, bran and mid- dlings from other coun- tries: per ton, ex-sh £8 10/-
MAIZE PRODUCTS —Per ton. Cooked Flaked (for feeding) gross, sacks included, max. price ex store £12 5/- Hominy Chop (imptd.), for feeding gross, saks included, ex store ... £11 5/- Mixed or White Meal (imptd.), for feeding, gross, sacks included, ex store £11 5/- Yellow Meal (imptd.), for feeding, gross, saks included, ex store ... £11 5/-	*PEAS —Per 504 lb. Bagl Maple, at fm. 130/- 140/- Engl Dun, at farm 90/- 100/-
OATS — English feed maxm'm price at farm, pr 336 lb. 43/6 Imported Clipped, per ton, ex store ... £15 7/6	*BARLEY — Imported Feeding, max. price, per ton, ex store £15 5/-
	* SUNFLOWERSEED —Per 112 lb., ex store Black 18/6 20/- White 27/6

* Not controlled.

LIVERPOOL

Official maximum selling prices, unless otherwise indicated. Cereals and cereal products not destined for feeding purposes.

WHEAT — English, on farm (per cwt.) 14/6	OATMEAL —Per ton ex qy. Irish nom Scottish nom Canadian 45/-
FLOUR —Per sk. 280 lb. National Straight-run... 25/6 *Australian G. B. 25/9 26/- *Canadian G. B. 25/-	
OATS —Per cwt. Bag, Milling, at farm. 14/6 Manx —	ROLLED OATS —Per ton, ex quay. Scottish nom Canadian 43/9

SPOT PRICES EX STORE

Maximum official selling prices of cereals and cereal products, also oilcakes, destined for feeding purposes.

MAIZE —Per ton. Whole Corn *£10 0/- Whole Corn Cinquantina £11 5/-	*PEAS —Per ton. Imported F.a.q. £20 2/6 Russian Feeding £10 0/-
*MAIZE PRODUCTS —Per ton. Cooked Flaked £12 5/- Kibbled or cut £11 7/6 Hominy Chop, imptd. £11 5/- Meal, home milled.... £11 7/6 Meal Mixed and White, imported £11 5/- Meal Yellow, imported £11 5/-	*BEANS —Per ton. Rangoon f.a.q. £14 5/- Imported Horse £15 5/-
BARLEY —Per ton. Imported feeding *£15 5/- Barley Meal (Grade 2) *£16 15/-	*RICE BRAN (Per ton of 2,240 lb.) Imported White £8 2/6 English £8 2/6
OATS — English Feed, at farm, per cwt. 14/6 Imported Feeding, per ton *£15 7/6 Sussex Ground from No. 1 Canadian feed per ton *£17 7/6	LOCUST BEANS (Per ton of 2,240 lb.) Locust Beans *£8 5/- Locust Beans, kibbled *£9 12/6 Locust Bean Meal *£10 2/6
*WHEATFEED —Per ton. Fine Wheatfeed and Straight-run Bran... £8 12/6	OILSEED CAKES & MEALS (Per ton of 2,240 lb.)— Linsed Cake, 8% oil, home produced *£11 5/- Linsed Cake, Expeller 9% oil, Indian *£11 5/- Palm Kernel Cake, home produced *£8 7/6 Soya Bean Cake, home produced *£12 5/-
*IMPORTED MILL OFFALS . Per ton. Pollards, bran and middlings, Austrain. £9 12/6 Pollards, bran and middlings from other countries £8 12/6	Groundnut Cake, De- corticated, 54% to 55% oil and alb., home produced *£9 10/- Groundnut Cake, De- corticated, 54% oil and alb., imported. *£9 12/6

* Bulk price. † Gross, sacks included.