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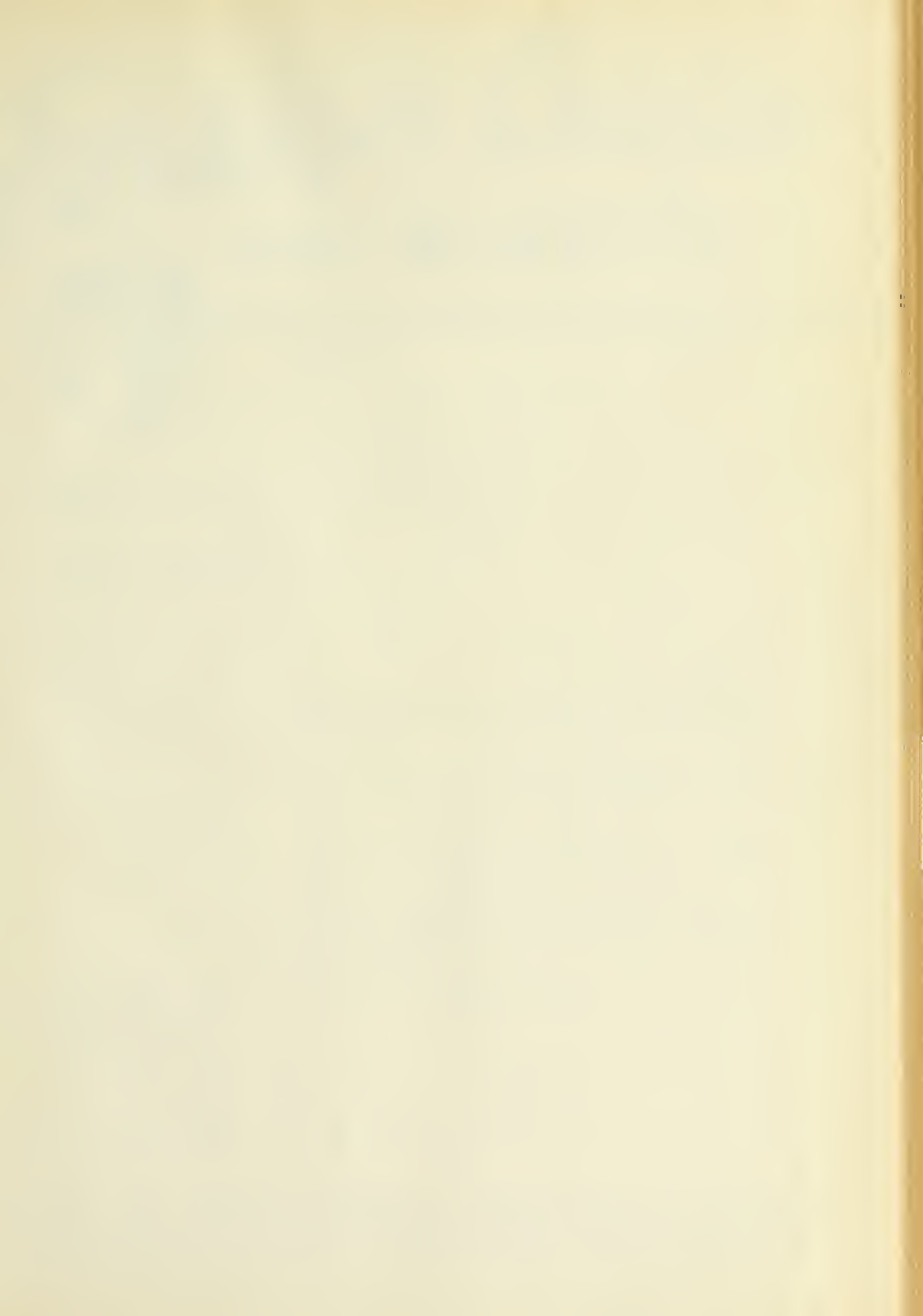
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Foreign Crops and MARKETS



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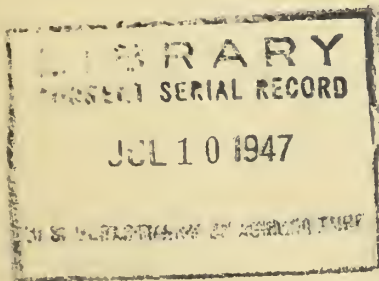
Northern Hemisphere's 1947 Wheat Crop May Be Slightly Above Average.
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May and June Hog Censuses Indicate Seasonal Increase in Danish Sow
Numbers. (Page 429)

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JULY 7, 1947

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L A T E N E W S

Argentina's 1946-47 cotton crop is placed by the second official estimate at 311,000 bales (500 pounds gross), compared with a first estimate of 360,000 bales and a final 1945-46 estimate of 285,000 bales. The area planted was increased from 926,000 acres last year to 979,000 in 1946-47, but yields were reduced by drought at planting time, followed by excessive rain and heavy insect damage.

The fourth official Indian cotton acreage estimate and the second production estimate place the 1946-47 cotton crop in India at 2,929,000 bales (500 pounds gross) from 14,608,000 acres. Corresponding estimates for 1945-46 were 3,361,000 bales from 14,440,000 acres. During the past 10 years these estimates have averaged 97.9 percent and 95.1 percent respectively of the final estimates for acreage and production. Growing conditions were generally favorable for the 1946-47 crop, but the crops in Bombay Province, Madras and Hyderabad were late this year.

Cotton mills in Shanghai are still operating on a restricted production schedule, in effect since October 7, 1946, because of a continued shortage of power. In January 1947 night operations in the Government-owned Shanghai mills were 97.5 percent of capacity, but were curtailed in February and March to 74.8 and 82.8 percent, respectively. Some improvement was reported for April. Day operations were only 62.9 percent in January. Inability to attain 100 percent capacity operation in Tsientsin and Tsingtao mills was attributed to a continued shortage of coal supplies.

A 1-year Finland-Iceland trade agreement, effective July 1, 1947, was signed in Helsinki June 26. Published reports estimate the commodity exchange value at \$4 million. Finland has agreed to supply sawn goods, prefabricated houses, plywood, paper and board matches, and herring, barrels, with Iceland supplying herring, herring oil and flour, fish, liver oil and frozen fish.

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COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS AND FEEDSPROSPECTIVE WHEAT CROP IN NORTHERN
HEMISPHERE LARGE: EUROPE'S CROP SMALL

Prospects for the 1947 wheat crop in the Northern Hemisphere indicate that the harvest may be slightly above average, with best prospects for North America and poorest for Europe, according to preliminary reports available in the Office of Foreign Agricultural Relations.

In contrast with the unusually favorable outlook in North America, especially in the United States, the European crop, excluding Russia, will again be substantially below the prewar average production of 1,670 million bushels, and may be as much as ten percent or more below the 1946 harvest of 1,350 million bushels.

Import needs will again be large, taking into account the poor bread-grain prospects in many areas and the very low level of stocks. The unfavorable winter wheat outlook in Europe may be offset to some extent, however, by the relatively favorable prospects for spring crops of other grains. Based on present indications, wheat production in Soviet Russia this season will be larger than in 1946, though still considerably smaller than in the prewar period when the crop exceeded a billion bushels in some good years. Total production in both Asia and Africa is expected to be near the 1946 level, with reduced crops in some areas being offset by more favorable prospects in others.

The winter wheat crop of 1,093 million bushels forecast as of June 1 for the United States greatly exceeds the previous record crop of 874 million bushels in 1946, and would be the first winter wheat crop to exceed a billion bushels. Yields, placed at an average of 20.1 bushels per acre, would also be the highest on record. Spring wheat is expected to be well above average and larger than in any recent years. The most effective utilization of this record wheat prospect, however, will depend to substantial degree on the 1947 corn crop, planting conditions for which have not been favorable because of the prolonged cool, wet season.

In Canada, while the season is currently somewhat later than normal, present prospects are for a good outturn in the prairie Provinces this year. According to many observers, the 1947 harvest in Canada may equal or exceed last year's harvest of 420 million bushels.

Conditions in Europe vary widely, with poorest prospects for Western Europe where the unusually severe winter caused extensive winterkill, and unfavorable weather, shortages of seed suitable for spring sowing, and labor shortages prevented making up more than a part of the loss. Flooding in parts of the area, especially in the Iberian Peninsula, was also reported to have reduced prospects. Although quantitative estimates for many individual countries are not yet available, production in this area generally is expected to be substantially smaller than last year's below-average crops.

Not much change from the 1946 total is expected in Central Europe, where relatively unfavorable conditions in Germany are balanced by improvement in other areas, such as Czechoslovakia, where proposals to increase the white bread ration as of August 1 have received Government approval. In the important producing Blakan area some reduction in outturn, compared with last year's, is expected largely because of early season drought conditions in parts of Greece, Bulgaria and Rumania.

The outlook in the Scandinavian countries is definitely less favorable than last year, largely as a result of winter damage in Denmark and Sweden. Unfavorable weather prevented seeding the full planned acreage in the United Kingdom. Some winterkill was reported and excessive spring rains and floods have prevented extending spring acreage and have lowered yield prospects. The total area seeded was estimated to be at about the prewar level of 1.8 million acres or one-third less than in 1946.

Weather conditions in the Soviet Union have been generally favorable, and if favorable conditions extend through the harvesting period (July-August) the crop is expected to be larger than in 1946, though still considerably below the prewar average. Acreage reduction during the war brought the area in wheat down to approximately two-thirds of the prewar level, with part of the acreage having been shifted to rye and other crops. Some improvement in farm practices is reported, but handicaps of the past few years have not been fully overcome.

Total production in North Africa appears to be about the same as the 1946 harvest of 142 million bushels, but with wide variations in the condition in different countries. Best conditions are indicated for French Morocco, with the crop reported to be well above the 1946 harvest. Elsewhere, the wheat crop is expected to range from five to fifteen percent below that of a year ago.

The total crop in Asia may be near the 1946 level, but prospects are not favorable in areas which accounted for significant quantities of the 1946-47 United States grain export program. In Japan and Korea, for example, conditions have been unfavorable and the outturn may be as small or smaller than last year. The second official estimate of wheat production in India places the crop at 320 million bushels--the smallest since 1928--and considerable quantities of grain will need to be imported again this year. Lower yields were the result of unfavorable weather and rust damage especially in the Central Provinces. Turkey's crop is also considerably smaller than a year ago, when the record harvest of 180 million bushels provided some surplus for export.

Wheat seeding is now under way in the Southern Hemisphere and is being accomplished under generally favorable conditions in the principal producing

(Continued on Page 434)

TOBACCO

GERMAN TOBACCO SUPPLIES
ARE NEARLY EXHAUSTED

Supplies of leaf tobacco in Germany will be completely exhausted by the summer of 1948, even with the prevailing low rations, according to a report from the American Consulate in Bremen.

The monthly rations in the combined American-British Zone, allow each male consumer over 13 years of age, 40 cigarettes, or 50 grams of pipe tobacco, or a corresponding weight in cigars. Women over 25 years receive one half the ration. Based on a population of 40 million, the permitted per capita consumption is, therefore, at the rate of .7 pounds per annum, compared with a prewar rate of about 3.7 pounds.

In prewar years, Germany depended upon imports for about 80 percent of its tobacco requirements, but no foreign leaf has been imported since the end of the war. Domestic production of leaf in the American-British Zone, which amounted to about 19.8 million pounds in 1938, declined to only 8.8 million in 1946, and prospects are that no more than 13 million pounds will be produced this season. Use of leaf, however, in the combined Zones is running at the rate of about 26 million pounds per year.

Prior to the war, German imports consisted chiefly of oriental leaf from Greece, Bulgaria, and Turkey, and Netherlands Indies cigar leaf. Considerable quantities of Brazilian cigar leaf and United States blue-cured and fire-cured were also imported. The German consumer had a marked preference for cigarettes made from oriental leaf, and barter arrangements encouraged imports of this type. Just before the war, however, American-type blended cigarettes began to gain in popularity, and since the close of hostilities demand for such cigarettes has become heavy. American cigarettes have virtually been adopted as currency in spite of efforts to restrict their use to allied military and civilian personnel. With the current low supplies of tobacco in the American-British Zone and the growing demand from German civilians for our cigarettes, an important market for United States cigarette leaf could be developed, provided means could be found for expediting shipments on a commercial basis. In this connection, it should be pointed out that European countries, particularly Greece, have already shown great interest in an early resumption of leaf exports to Germany.

EIRE'S TOBACCO
IMPORTS RISE

Eire's imports of leaf tobacco in 1946 amounted to 15.5 million pounds of which the United States supplied 15.3 million, or 99 percent of the total. In 1945 the country's leaf imports totaled 14 million pounds. Eire depends on imports for most of its tobacco requirements. In 1946 domestic leaf production amounted to only 37,000 pounds--a sharp drop

from the prewar average of 315,000 pounds.

Last year, consumption of tobacco products amounted to 13.2 million pounds, compared with 11 million in 1945. Of the total 1946 consumption cigarettes comprised 9.6 million pounds and pipe tobacco 3.4 million pounds. Snuff and cigars made up the remainder. The increase in imports in 1946 raised the bonded stocks of leaf to 15.3 million pounds on December 31, 1946, compared with 12.1 million a year earlier.

LIVESTOCK AND ANIMAL PRODUCTS

CUBA INCREASES CATTLE AND BEEF CATTLE CEILINGS

The Cuban Government recently issued a decree, which increases Cuba's ceiling prices of cattle and beef. Ceiling prices of live cattle were increased from 9 cents to 11 cents a pound, wholesale prices of carcass beef from 15.2 cents to 20 cents per pound, and retail beef prices for grades 1, 2 and 3 from 25, 21 and 7 cents, respectively, to 33, 27 and 12 cents respectively.

The Government took action to increase prices of cattle and beef as a result of prolonged opposition to existing prices by all sectors of the cattle raising and meat distributing industry. The Government has also promised to remove all marketing controls, such as slaughter quotas, movement permits, and prohibition of Saturday slaughter, which have been in effect during and since the war years. The stock raisers, on their part, promise to supply Havana with 10,000 head of cattle monthly for the next five months. Although the number is almost equivalent to prewar monthly requirements, the quantity is not more than half enough to meet the present increased demand.

It is quite possible that the Havana meat supply will improve during the next few months, not because of the new Government policy, but because breeders normally prefer to market cattle during the late summer and early fall when animals are at their heaviest weights. It is believed that the improved supply situation will be only temporary and late fall and winter may see renewed crises in the beef supply.

DANISH SOW NUMBERS SHOW SEASONAL RISE

The May and June hog censuses indicate that sow numbers in Denmark show a seasonal increase over a year earlier. Although the total numbers

of hogs at this time are below a year ago, the present number of bred sows are larger than those reported for similar periods last year.

This upward trend in breedings would indicate some increase in future hog numbers and marketings. The number of suckling pigs, according to the June census, are above those of a year ago, reflecting a larger number of Spring farrowings, while the number of pigs and slaughter hogs are smaller.

DENMARK: Hog numbers a/ (entire country including parishes and buroughs), May 3 and June 7, 1947, with comparisons

Date	Sows		Suckling pigs	Pigs and slaughter hogs	Total
	Bred	Total			
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1946					
March 23	123	199	426	1,211	1,844
May 4	114	200	450	1,260	1,919
June 8	120	198	410	1,228	1,845
1947					
May 3	145	220	433	1,089	1,751
June 7.....	139	219	455	1,108	1,791

Compiled from official sources.

a/ Periodic Danish log censuses beginning February 8, 1947, represent returns for the whole country. Data for the previous year are revised to also show total returns which include parishes and boroughs.

COLOMBIA PLANNING NEW SLAUGHTERHOUSE FACILITIES

Colombia has announced the formation of a company which will build a slaughterhouse and refrigerated warehouse for processing and storing of beef at Villavicencio. This city is located southeast of Bogota on the eastern slopes of the Eastern Cordillera Mountain range.

The new company plans to ship beef to Bogota by refrigerated truck and plane. It also expects to process by-products, including edible fats, animal feeds and fertilizers. This new venture, however, is entirely separate from the project to build a slaughterhouse in Villavicencio which the Government agency, the Instituto de Fomento Industrial, has had under study for sometime.

The "llanos", the rolling plains east of the mountains, representing almost two-thirds of Colombia area, have long been considered a potential source of national wealth. The new project should serve in some measure to make the realization of these potentialities possible. Some 40,000 head of cattle are annually driven over the mountains to Bogota. About one-third of the meat consumed in Bogota reaches the city over this route. The establishment of a slaughterhouse at Villavicencio will eliminate losses of weight occurring to cattle driven to market and should also act to encourage cattle raising in this area and provide cheaper meat supplies for the cities.

COTTON AND OTHER FIBERS

COTTON STOCKS IN FRANCE DECLINING

Stocks of cotton in France were reduced from 922,000 bales (500 pounds gross) on August 1, 1946, to 776,000 bales at the end of March 1947. Stocks were built up to a high level last year but were allowed to decline during the first half of the current season. Imports averaged only 49,000 bales during August-January but increased to 117,000 bales in February and 134,000 in March.

Imports of 542,000 bales during the 8 months ended March 31, 1947, were 103,000 bales less than the quantity consumed during that period.

About half of the total imports this season is composed of American cotton, about 95,000 were Brazilian, 77,000 French Colonial, and most of the remainder was Egyptian and Indian. The reduction in stocks is attributed in part to the destruction by fire of about 43,000 bales last January.

CHILEAN PRODUCTION OF FIBER DECREASES

The 1946-47 Chilean combined flax and hemp fiber production was smaller than the total of the preceding year by approximately 3.5 million pounds. About 8.6 million pounds of hemp fiber were obtained from a total area of 10,300 acres, compared with the 1945-46 crop of 11.8 million pounds from 13,000 acres and a wartime peak in 1942-43 of nearly 45.2 million from 50,300 acres. The prewar average was about 13.8 million pounds from 16,100 acres.

Flax fiber production this season was 2.6 million pounds obtained from a planted area (for both seed and fiber) of 12,800 acres compared with the wartime peak of 3.6 million pounds from 14,600 acres in 1944-45. Prewar production was small, there being less than 2,000 acres planted to flax in 1938-39.

The following table shows certain cotton-price quotations on foreign markets, converted at current rates of exchange:

COTTON: Spot prices of certain foreign growths
and qualities in specific markets

Market location, kind, and quality	Date 1947	Unit of weight	Unit of currency	Price in: foreign currency	Equivalent U.S. cents per pound
Alexandria		Kantar			
Ashmouni, Good.....	6-26	99.05 lbs.	Tallari	42.75	35.63
Ashmouni, F.G.F.....	"	"	"	39.00	32.51
Giza 7, Good.....	"	"	"		(not quoted)
Giza 7, F.G.F.....	"	"	"		(not quoted)
Karnak, Good.....	"	"	"	44.00	36.67
Karnak, F.G.F.....	"	"	"	41.00	34.17
Bombay		Candy			
Jarila, Fine.....	"	784 lbs.	Rupee	443.00	17.04
Broach, Fine.....	"	"	"	515.00	19.81
Sind American, Fine...	"	"	"	556.00	21.39
Punjab " 289-F, Fine	"	"	"	635.00	24.43
Kampala, East African.	"	"	"	920.00	35.40
Buenos Aires		Metric ton			
Type B.....	6-28	2204.6 lbs.	Peso	2640.00	35.65
Lima		Sp. quintal			
Tanguis, Type 5.....	"	101.4 lbs.	Sol	157.00	23.82
Pima, Tupe 1.....	"	"	"		(not quoted)
Recife		Arroba			
Mata, Type 5.....	6-27	33.07 lbs.	Cruzeiro	115.00	18.92
Sertao, Type 5.....	"	"	"	115.00	18.92
Sao Paulo					
Sao Paulo, Type 5.....	"	"	"	156.50	25.75
Torreón		Sp. quintal			
Middling, 15/16".....	"	101.4 lbs.	Peso	139.50	28.30

Compiled from weekly cables from representatives abroad.

FATS AND OILS

ARGENTINE SUNFLOWER,
PEANUT CROPS REDUCED

The Argentine sunflower-seed harvest amounts to 985,000 short tons, according to the second official estimate. Trade sources, however, are of the opinion that warm wet weather has reduced the crop to from approxi-

mately 700,000 to 825,000 tons. The official figure is only 4,400 tons larger than last year's final one but 10 percent smaller than the comparable estimate of 1946.

The peanut crop of 122,000 tons is 20 and 30 percent smaller, respectively than the 1946 final and second estimates. Planted acreage was reduced 21 percent this year.

Reports indicate that export permits of edible oils are being withheld awaiting the outcome of oil production from the 1947 crops, in order to protect domestic needs, especially of sunflower seed oil.

CHILE HARVESTS RECORD SUNFLOWER SEED CROP

Chile harvested over 32,000 short tons of sunflower seed from 55,000 acres this spring, a record crop from a record acreage. This output is an increase of 75 percent over last year's crop and 76 percent over the average output of the past 5 years, doubtless the result of a pre-season 60-percent-price increase offered growers by oilseed factories. Chile's vegetable oil needs, however, far exceed the oil yield of this crop.

NORWAY'S WHALE, FISH OIL OUTPUT LARGE

Norwegian whale and sperm oil production for the 1946-47 whaling season is reported at approximately 171,000 short tons, compared with 95,000 tons a year ago, and the prewar average of over 200,000 tons. Before the war, Norway and the United Kingdom were the world's largest producers of whale oil.

During the past season, 7 floating factories and one land factory were in operation. It is reported that 3 new floating factories are in the process of construction, one in Sweden, one in Denmark, and one in England. The first two are expected to be ready for the 1947-48 whaling season.

Herring oil production this year is estimated at approximately 20,000 tons, compared with last year's output of 15,400 tons. The early herring catch was abnormally high, and the oil processing factories have been operating at full capacity.

GRAINS, GRAIN PRODUCTS AND FEEDS

(Continued from Page 427)

countries. Seeding is nearing completion in Australia and the area seeded is forecast at about 15 million acres, a substantial gain over the acreage of recent years. Seeding is well under way in Argentina and is said to be proceeding under favorable conditions.

ECUADORAN RICE
EXPORTS RESUMED

Beginning June 1, rice exports from Ecuador's new crop were resumed under authorization of a decree enacted early in May. Rice exports had been prohibited since January in order to meet requirements of domestic consumers. The new decree permits the unrestricted export of rice, provided the exporter sells 50 pounds to the Government at a fixed price for each 100 pounds shipped abroad.

The crop now being harvested is excellent, and Ecuador is expected to have the largest exportable surplus on record. The previous largest exports were 1/8 million pounds in 1946. It has been indicated that minimum prices between \$12.00 and \$13.00 per 100 pounds may be established for export rice.

CHILEAN RICE CROP
REVISED DOWNWARD

A slight downward revision in Chile's 1947 rice harvest places the crop at 4,274,000 bushels (125 million pounds milled), against 5,778,000 bushels (170 million pounds) in the preceding year. The output this season compares with the record of 7,862,000 bushels (230 million pounds) in 1945, from which Chile's largest exports of 97 million pounds were shipped. Production, however, is substantially above the prewar (1936-40) average, when rice imports equalled 24 million pounds annually. Exports from the 1947 crop are prohibited, because of the small crop.

MISCELLANEOUSMADAGASCAR'S 1947-48
VANILLA CROP LOWER

The 1947-48 vanilla bean crop in Madagascar and the Comoro Islands is estimated at 770,000 pounds which is substantially less than the 1946-

47 crop of 1,100,000 pounds. The decreased production is due largely to unfavorable weather conditions in Madagascar.

During 1946, Madagascar, including the Comoro Islands, exported 1,440,000 pounds of vanilla beans of which 948,000 pounds were destined to the United States, 330,000 pounds to France, and 162,000 pounds to other countries. This compares with 1945 exports of 1,071,000 pounds and the 1935-39 average of 892,000 pounds annually.

Madagascar stocks of old, inferior quality vanilla beans recently were reported at over a million pounds. Since offerings of high quality vanilla probably will not be sufficient to meet the demand, there is a possibility that an attempt will be made to market part of the accumulated stocks.

MEXICO'S VANILLA CROPS INCREASE

Mexico's 1947-48 vanilla bean crop, harvesting of which will begin about November, probably will exceed the 1946-47 crop if weather conditions remain favorable. The 1946-47 crop is now estimated at 298,000 pounds. This compares with 99,000 pounds for 1945-46 and a peak production of 476,000 pounds in 1940-41. For the past 3 seasons droughts have reduced yields substantially. The increased production for 1946-47 is attributed to exceptionally favorable weather conditions and to outturn from new plantings. Most of the new plantings are in the San Jose Acatino district in the State of Puebla. Production in this State is increasing, but Veracruz still supplies the bulk of Mexico's output.