UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE WHEAT SITUATION
Including Rye

Summary

Estimates of the 1938 acreage sown to winter wheat in 21 countries, which in 1937 represented over 60 percent of the acreage of all wheat harvested in the world (excluding Soviet Russia and China) indicate that the change in acreage from that of last year is not significant, according to the Bureau of Agricultural Economics. Acreage increases in a number of countries, the largest being in Rumania, about offset decreases in other countries, including Tunisia, Italy, and France.

Growing conditions in the United States and Canada, and in northern, western, and central Europe, are generally favorable and better than last year. In the Mediterranean countries, including North Africa, rains are urgently needed. Insufficient rainfall has also been reported in the Danubian countries, Greece, and France. Serious crop deterioration has already taken place in northern and central Italy. In Soviet Russia crop conditions are reported to be generally good, but spring sowings are being delayed by cold, wet weather.

Preparations for wheat seeding in Argentina are progressing under favorable conditions but in Australia unfavorable weather, until relieved by rains this week, retarded seedings and may reduce acreage.

In the United States a winter wheat crop of about 726 million bushels was indicated by the April 1 condition. Average yields on the spring wheat

acreage indicated in the March 1 prospective plantings report would produce a spring wheat crop of about 200 million bushels. If these indications materialize, the domestic wheat crop would total approximately 925 million bushels. A domestic crop of this size would be about 250 million bushels in excess of the 5-year (1932-36) average domestic disappearance of 670 million bushels. If the carry-over on July 1 this year turns out to be about 200 million bushels and exports in 1938-39 do not exceed those for 1937-38, the carry-over into July 1939 may approach the 378 million bushels reached in 1933.

As at least a partial offset to the effect of this supply situation on price, loans provided under the Agricultural Adjustment Act of 1938 would cause grain to be withheld from market and thereby serve as a check on declining prices. If parity price remains about unchanged, loans to farmers under the Act would average not less than 60 cents, compared with present average local market prices of around 75 cents.

The trend in domestic and foreign wheat prices is expected to be downward as adjustment is made toward the new-crop basis. Some temporary strengthening in prices may occur, however, as this is the time of year when crop scares and declining receipts of Southern Hemisphere grain in European markets may be expected.

The area sown to winter rye in the 12 countries for which reports are available is very slightly below that reported for these countries last year. Germany, Poland, and Czechoslovakia, all important producing countries, show slight increases. Conditions in Germany and Poland are above average and better than at this time last year.

THE WORLD WHEAT SITUATION

BACKGROUND.- Total world supplies of wheat, after increasing from 1929 to 1933, declined sharply following successive years of small production and increased world demand. The apparent world disappearance has averaged about 3,770,000,000 bushels during the past 10 years. World prices of wheat moved steadily upward from the spring of 1933 to the summer of 1937, reflecting higher world commodity price levels, four successive below-average harvests in North America, and the 1935-36 short Southern Hemisphere crop. In 1936-37 wheat prices advanced sharply as a result of increased demand and the smallest supplies in recent years.

World wheat production, excluding that of Soviet Russia and China, in 1937-38 is estimated at 3,819,000,000 bushels, or about 280 million bushels larger than in 1936-37. However, world stocks, excluding those of Soviet Russia and Asia, on about July 1, 1937, were about 210 million bushels smaller than a year earlier, resulting in total supplies in 1937-38 about 70 million bushels larger than the small supplies in 1936-37. Net exports from Soviet Russia in 1937-38 may be about 35 million bushels compared with 4 million bushels in 1936-37. With somewhat larger supplies, uncertain prospects for world business activity, and weakness in the general price level, wheat prices have declined generally during the 1937-38 selling season.

Large wheat crop in prospect

The available data for winter wheat sown for harvest in 1938 indicate 163.4 million acres sown in 21 countries, compared with 164.1 million acres sown in these countries a year earlier (table 1). Winter wheat sown in these countries for harvest in 1937 amounted to 62 percent of the harvested acreage of all wheat for the world, excluding the Union of Soviet Socialist Republics and China.

Spring wheat seedings of 22 million acres were indicated in the United States by the March 1 prospective planting report, compared with 24 million acres last year. While no official report has been published for Canada, a reduction of at least 3 million acres from the 25 million acres seeded last year is expected. Moisture conditions in Canada are good. The Government has completed preparations for the distribution of seed wheat in the former drought areas, but it is understood that in the districts where the drought was most severe and where the crop has failed for a number of years in succession, the continued seeding of wheat will be discouraged. The Entomological Branch of the Dominion Department of Agriculture finds that while the area over which grasshopper eggs are present in significant numbers has increased by some 12 million acres compared with last year, yet the intensity of the infestation over a large part of the "severely infested" area has decreased. The infestation of cutworms in Canada is also expected to be great.

Table 1.- Winter Wheat: Area sown in specified countries, for harvest in 1936, 1937 and 1938

Country	1936	1937	1938
	1,000 acres	1,000 acres	1,000 acres
United States	49,765	57,612	57,492
Canada	585	781	690
Total (2)	50,350	58,393	58,182
Belgium	420	422	428
Bulgaria	2,596	2,845	2,874
Czechoslovakia 1/	2,206	1,994	2,028
England and Wales	1,704	1,732	1,807
France 2/	12,536	12,772	12,352
Greece 2/	2,011	2,076	1,900
Germany	4,757	4,335	4,507
Hungary	4,045	3/ 3,727	3/ 4,139
Italy	12,434	12,692	12,065
Lithuania	349	379	357
Poland	3,736	3,736	3,781
Portugal	1,157	1,093	4/ 1,310
Rumania	7,720	7,966	8,827
Yugoslavia	5,466	5,342	5,223
Total (14)	61,137	61,111	61,598
Total (16)	111,487	119,504	119,780
Morocco	3,194	3,027	4/ 3,089
Algeria	4,287	4,311	4,083
Tunisia	1,221	2,429	4/ 1,310
Egypt	1,464	1,421	1,470
India, second estimate	33,331	33,415	33,706
Total, 21 countries	154,984	164,107	163,438

1/ Includes spelt. 2/ To January 1.
3/ Estimate of the Belgrade office of the Bureau of Agricultural Economics.
4/ Estimate of the Paris office of the Bureau of Agricultural Economics.

Reports of the European winter wheat crop do not indicate uniformly satisfactory conditions. In the northern, western, and central Continental countries conditions are quite promising, but rains are urgently needed in the Mediterranean countries and less urgently in the Danubian countries and in Greece and France. Crop deterioration has already taken place in northern and central Italy, where general, persistent drought threatens serious crop failure. The wheat crop, it is forecast, will be 20 to 40 percent below that of last year. In France, Greece and the Danubian countries the crops are still in good condition, but soil moisture has not been sufficiently restored and frequent rains will be needed to maintain a favorable condition. For Poland an official report indicates that crops deteriorated slightly from February 15 to March 15, but condition of winter wheat is still above average.

The condition of the crop in Germany is good. In Soviet Russia the winter crop condition is reported to be generally good but spring sowings are being held up by cold, wet weather.

Drought is widespread over North Africa. Dry conditions in Tunisia during March caused some deterioration. Persistent drought extends over the whole of Algeria and the soil now has barely sufficient moisture to maintain growth. In Morocco the condition of the crop toward the end of March was about average, but more rain was needed to maintain this condition.

The first estimate of production in India places the wheat crop at 380 million bushels, compared with the 1937 harvest of 366 million bushels. Rust is reported in parts of northwestern India, but the damage is not considered serious. The weather has been favorable and good progress is being made with the harvest. The crop is reported to be of high quality.

Weather conditions in China have been generally favorable and condition of wheat is reported as good.

Ploughing for wheat seeding is progressing under favorable conditions in Argentine. Government seed loans have been arranged to enable farmers who lost their crops last year to sow a full acreage. In Australia dry weather has retarded seeding and may result in reduced acreage. Rains, however, were reported this week, which may change the outlook somewhat.

World trade in wheat about as expected

The situation relative to the world trade in wheat remains about as reported in the March issue of "The Wheat Situation." As a result of poor crop prospects in Italy, that country may import larger quantities of wheat than were expected earlier, but how much larger is highly uncertain, because imports are dependent upon governmental policy. Tables 7 - 10 show figures on the movement of wheat in international trade this season compared with corresponding periods and totals for other years.

Table 2 shows the estimated wheat surplus for export or carry-over on April 1 in the four principal exporting countries, together with United Kingdom port stocks and stocks afloat. These total considerably more than the 341 million bushels of a year earlier, but are smaller than the 486 million bushels of 2 years ago.

United States exports of wheat and flour in terms of wheat from July 1937 through February 1938 amounted to 63 million bushels, shipments to our possessions, 2 million bushels, and exports during March, on the basis of weekly reports, will probably approximate 10 million bushels. Therefore, from July through March United States exports together with shipments of wheat and flour in terms of wheat may approximate 75 million bushels.

Table 2.- Wheat surplus for export or carry-over in the four principal exporting countries, United Kingdom port stocks and stocks afloat, April 1, 1935-38 1/

Position	1935	1936	1937	1938
	Mil.bu.	Mil. bu.	Mil. bu.	Mil.bu.
United States:				
In United States	134	109	73	213
In Canada	1	0	0	1
Canada:				
In Canada	243	210	70	49
In United States	16	15	12	1
Argentina	111	46	53	55
Australia	80	61	63	76
Total	585	441	271	395
United Kingdom port stocks ...	12	8	13	10
Stocks afloat to:				
United Kingdom	13	16	15	11
Continent	7	11	23	20
Orders	9	10	19	11
Total	41	45	70	52
Grand total	626	486	341	447

1/ For other than the United States: Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year, minus monthly exports to date. For the United States: Year-end stocks minus imports for the year plus April-June exports and shipments (1938 figure based on carry-over on June 30, 1938 of 200 million bushels, imports of 1 million bushels, and April-June exports of 15 million bushels).

Foreign prices weak

Wheat prices in important world markets declined until about March 22, influenced largely by heavy receipts of Australian wheat at European markets, improved crop prospects, and slow demand. Australian prices, however, continued to decline into early April. Exports from that country were very large during the first week in April, reaching a peak of 6.0 million bushels the week ended April 16 compared with an average of 3.4 million bushels since January 1. During the last week in March the Winnipeg market, reflecting the short milling-wheat supply situation, advanced sharply. This influenced other markets including Liverpool. During early April prices were unsettled on account of the varying import demand, apprehension concerning frost damage to the United States crop, dry conditions in Italy and Australia, and changes in the securities market.

Table 3 shows Friday prices of imported wheat at Liverpool from 6 countries including the United States 1/, and table 4 the closing prices of May futures in Winnipeg, Liverpool, and Buenos Aires, together with those at Chicago, Kansas City, and Minneapolis.

Table 3.- Prices of imported wheat at Liverpool

Date (Friday)	Hard wheats: U.S. (Gulf) No.2 Hd. Winter	Hard wheats: Argentine Rosafe	Hard wheats: Canada No.3 Manitoba 1/	Hard wheats: Russian	Soft wheats: U.S. (Pacific) White	Soft wheats: Australian 1/	Soft wheats: India choice Karachi 1/
1938	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan.							
7	128.1	129.7	153.9	---	114.1	116.4	---
14	129.4	134.1	154.4	---	113.1	117.0	---
21	129.7	130.5	143.4	---	112.5	116.4	---
28	126.7	126.7	152.0	---	112.6	116.5	116.5
Feb.							
4	126.1	129.2	143.3	---	114.4	116.7	115.1
11	125.5	129.5	144.4	132.6	113.0	116.9	113.8
18	121.9	123.1	---	---	109.3	115.6	112.4
25	122.3	123.1	144.3	---	112.1	---	114.1
Mar.							
4	2/126.1	126.9	---	123.8	110.4	113.5	107.4
11	2/117.3	121.2	---	117.3	105.6	112.6	104.2
18	2/116.2	117.0	130.9	114.6	104.6	106.9	103.0
25	2/117.0	113.9	130.2	105.4	101.5	105.4	101.5
Apr.							
1	2/116.3	117.1	---	107.0	103.9	103.2	101.6
8	2/112.5	114.8	---	101.6	100.9	100.9	100.1
14	2/114.0	114.0	---	---	98.5	102.4	---

1/ Empire wheat qualifying for Imperial Preference is exempt from duty (approximating 6 cents per bushel) under Ottawa Agreements of November 1932.
2/ No. 1 Dark Hard Winter.

Wheat prices high in Canada

The price of good milling wheat in Canada this year is higher than usual relative to all other wheats because of the shortage of good milling wheat in that country. The 1937 Canadian wheat crop was very small and only a relatively small proportion of the crop qualified for the better grades.

On April 16 No. 3 Manitoba Northern at Winnipeg was 9 cents higher than the price of the fairly comparable No. 1 Dark Northern Spring at Minneapolis. In the 5 years, 1928-29 to 1932-33, when the United States was on an export basis, the price of No. 3 Manitoba Northern at Winnipeg averaged 16 cents below No. 1 Dark Northern Spring at Minneapolis.

1/ Description of terms given in "The Wheat Situation", March 1938, page 13.

The situation with regard to imports has changed this year. Canada is now importing wheat from the United States, whereas during the past 3 crop years, 1934-35 to 1936-37, the United States imported wheat from Canada. Imports of milling wheat into the United States during these years were necessary because of the small United States crops of hard red spring and durum wheats, and wheat "unfit for human consumption" was imported to relieve short domestic feed grain supplies. Total imports for domestic utilization during these 3 years averaged about 4 percent of our total domestic utilization. Now that the United States is again on an export basis these imports have become negligible. Table 6 shows the quantity of imports during these 3 years compared with other years.

Imports into the United States were made possible during the past 3 years because our wheat prices were high relative to those in Canada. Had the United States been on an export basis, domestic wheat prices may have averaged close to 30 cents lower than they did. When we are importing, the price of the type of wheat being imported must be high enough to pay the exporter's price plus tariff and freight, whereas when we are exporting, our price is the price in the importing country minus freight.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carry-over of wheat in the United States for the 5-year period (1924-28) averaged about 115 million bushels. Stocks which began to accumulate in 1929 reached the record peak of 378 million bushels in 1933. Four small wheat crops since that time, however, reduced stocks to about 100 million bushels by July 1, 1937. Domestic disappearance during the 5 years (1932-36) averaged 670 million bushels.

Domestic wheat prices from the spring of 1933 to that of 1937 were unusually high relative to world market prices, because of four small domestic crops caused largely by abnormally low yields per acre. During 1936-37 both world and domestic prices advanced sharply as a result of increased demand and the smallest supplies in recent years.

Early in the 1937-38 season, domestic and foreign wheat prices rose sharply following reports of serious damage to the Canadian crop and the threat of rust damage in the United States. It was thought possible at that time that world prices might remain sufficiently above the 1936-37 levels to offset the decline in United States prices to an export basis. However, with an increase of over 100 million bushels in the estimate of the world crop, excluding that of Soviet Russia and China, the likelihood of large shipments from Soviet Russia, a slow European demand, disturbed business conditions, and a falling general commodity price level, wheat prices in world markets have declined. The price of wheat at local United States markets, weighted by monthly sales, is now expected to average somewhat under $1 a bushel in 1937-38 compared with $1.03 in 1936-37.

Large Wheat Supplies in Prospect

Winter wheat production.- A winter wheat production of 725,707,000 bushels in 1938 was indicated by reports on April 1. This compares with the crop of 685,102,000 bushels in 1937 and the 10-year (1927-36) average production of 546,396,000 bushels. Abandonment was placed at about 13 percent, which leaves about 49,900,000 acres for harvest in 1938. The acreage harvested in 1937 was 46,946,000 acres, and the previous 10-year average 37,281,000 acres. April 1 conditions indicated a yield of 12.6 bushels on the acreage seeded to winter wheat for harvest in 1938 (as reported last December).

The April 1 reports showed that prospects had improved since last December in practically all sections of the country except the Cotton Belt. The greatest improvement occurred in the Great Plains States; although in most of this area, outside of Oklahoma, the indicated yields per seeded acre on April 1 were only about average. Elsewhere, except on the East Coast, the indicated yields per seeded acre were generally above average. Prospects were substantially above average in the Eastern Corn Belt, Missouri, Minnesota, and on the West Coast.

On April 1 surface soil moisture was considered adequate over most of the Southwestern wheat belt, but extensive measurements showed a lack of subsoil moisture in substantial portions of this area. During the first 3 weeks of April central Kansas has received almost normal precipitation but precipitation in western Kansas, Oklahoma, and the panhandle of Texas has been considerably below normal. Early in April, cold weather is reported to have caused some damage to wheat in Southeastern Kansas, Texas, and Oklahoma, where the plant was in the jointing stage.

Spring wheat production.- Average yields on the spring wheat acreage indicated in the March 1 prospective plantings report would produce a spring wheat crop of about 200 million bushels. However, as pointed out in the March issue of this report, it is impossible at this time to forecast the acreage for harvest with any high degree of accuracy because of the wide range in the annual percentage abandonment of spring wheat. From 1924 to 1933, the abandonment of all spring wheat averaged only 6.9 percent, while during the years 1927 to 1936 the average abandonment was 18.8 percent. The abandonment in 1934 and 1936 was approximately one-half of the seeded acreage. In arriving at an all spring wheat acreage for harvest of about 19 million acres, an abandonment of approximately 15 percent was assumed, which represents about the average during the years 1927-36, with the heavy abandonment of 1934 and 1936 excluded. Using average yields per harvested acre during this same period to interpret this acreage, a spring wheat crop of close to 200 million bushels is indicated. The average yield for the 4 years, 1929-32, was 10.7 bushels, and that for 1933, 1935, 1937 was 9.6 bushels; yields during the 7 years averaged 10.2 bushels.

During the first 3 weeks in April, precipitation in North Dakota and Montana, where subsoil moisture is still deficient, was considerably below normal. Moisture this month and next is relatively important for spring wheat.

In the Bureau's North Dakota correlation analysis of weather and yield, the relative importance of the five weather factors was as follows: (1) June temperature, (2) April - May precipitation, (3) July temperature, (4) July precipitation, and (5) previous September - October precipitation. In the Montana study, the order was: (1) July temperature, (2) June temperature, (3) and (4) April - May precipitation, and July precipitation of equal importance, and (5) previous September - October precipitation.

Carry-over stocks on July 1, 1938.- While complete stocks figures for April 1, which would provide the basis of a possible revision in the forecast of carry-over on July 1, 1938 are not yet available, it is probable that the revised figure will be little different from the 200 million bushels previously estimated. Total domestic supplies in the United States 2/ for 1937-38 have been estimated at 965 million bushels, consisting of a carry-over on July 1, 1937, of 91 million bushels and a crop of 874 million bushels. Exports and shipments of wheat and flour in terms of wheat are estimated at 90 million bushels and utilization at 675 million bushels.

Stocks of all classes of wheat on farms at the first of April were estimated at 124,883,000 bushels, compared with 71,463,000 bushels a year earlier, and 124,056,000, the 10-year (1927-36) average. Disappearance of wheat from farms, January through March this season, amounted to 83,862,000 bushels compared with only 56,851,000 bushels for the same months last year. Market stocks of wheat on the first of April totaled 54,426,000 bushels compared with 34,741,000 bushels a year earlier. Stocks in interior mills, elevators and warehouses on April 1 were estimated at 73,075,000 bushels compared with 39,009,000 bushels on April 1 last year and the 6-year average (1931-36) of 73,820,000 bushels. Statistics on merchant mill stocks are not yet available.

Price trend downward toward new crop basis

Prices of both cash and futures prices in most domestic markets have been generally down since early March, influenced by the same factors as prices in other countries, and especially by improved domestic crop prospects. The better grades of milling wheat at Minneapolis, however, after reaching a low point the latter part of March rose and have since held their gain, influenced by the sharp rise at Winnipeg. Tables 4 and 5 show wheat prices at specific domestic and foreign markets.

2/ Supply and distribution of wheat by classes, average for 1929-30 to 1933-34 and crop years 1933-34 to 1937-38, is shown in table 7 in the February issue of "The Wheat Situation".

Table 4.-Average closing prices of May wheat futures, specified markets and dates, 1937 and 1938

Date	Winnipeg 1/ 1937	Winnipeg 1/ 1938	Liverpool 1/ 1937	Liverpool 1/ 1938	Buenos Aires 1937	Buenos Aires 1938	Chicago 1937	Chicago 1938	Kansas City 1937	Kansas City 1938	Minneapolis 1937	Minneapolis 1938
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -												
Jan.	124.3	126.3	127.2	113.9	--	--	131.2	95.5	124.7	94.2	138.4	105.4
Feb.	126.1	127.7	126.5	112.3	--	--	133.3	94.1	125.6	92.9	139.4	104.8
Mar.	135.4	120.0	135.4	104.7	--	--	137.7	88.1	129.2	85.7	141.9	97.3
Week ended -												
Mar. 5	127.6	125.5	129.3	110.7	104.0	2/ 106.5	134.0	92.3	125.2	89.6	139.0	102.0
12	130.6	120.6	132.2	108.4	108.5	2/ 103.7	136.3	88.3	127.8	86.0	140.7	97.7
19	135.8	118.5	136.5	104.0	3/ 115.2	101.8	137.5	87.1	129.0	84.9	141.7	96.4
26	142.8	116.0	142.2	99.6	3/ 126.1	98.9	140.8	86.2	132.5	84.3	143.9	95.4
Apr. 2	147.4	120.7	147.4	100.1	3/ 129.0	100.5	143.1	86.0	134.6	83.5	147.0	95.1
9	147.5	122.8	152.7	98.6	3/ 127.0	98.8	140.8	83.0	133.2	80.2	145.1	92.8
16	137.8	124.6	141.2	101.3	118.4	100.1	134.8	83.9	127.4	81.3	139.1	93.5
High 4/	147.5	128.4	152.7	114.8	5/ 129.0	6/ 112.0	143.1	97.4	134.6	96.3	147.0	107.3
Low 4/	120.0	116.0	122.0	98.6	5/ 94.7	6/ 98.3	127.6	83.0	120.7	80.2	133.8	92.8

1/ Conversions at noon buying rate of exchange. 2/ April futures. 3/ June futures. 4/ January 8 to April 16, 1938, and corresponding dates 1937. 5/ April and May futures. 6/ March, April, and May futures.

Table 5.-Weighted average cash price of wheat, specified markets and dates, 1937 and 1938

Date	All classes and grades six markets 1937	All classes and grades six markets 1938	No. 2 Hard Winter Kansas City 1937	No. 2 Hard Winter Kansas City 1938	No. 1 Dk.N.Spring Minneapolis 1937	No. 1 Dk.N.Spring Minneapolis 1938	No. 2 Hard Amber Durum Minneapolis 1937	No. 2 Hard Amber Durum Minneapolis 1938	No. 2 Red Winter St. Louis 1937	No. 2 Red Winter St. Louis 1938	Western White Seattle 1/ 1937	Western White Seattle 1/ 1938
Month -	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan.	144.3	102.4	138.0	102.7	165.9	127.0	171.3	108.7	139.6	100.2	112.2	88.9
Feb.	138.5	98.8	136.5	99.6	159.4	125.1	170.0	110.1	143.2	99.3	114.4	90.0
Mar.	141.6	93.0	138.6	91.5	153.0	119.2	183.2	105.3	143.0	91.6	117.0	86.2
Week ended -												
Mar. 5	139.2	97.5	138.0	96.4	151.5	129.5	153.7	111.6	142.1	96.5	112.6	88.5
12	138.8	94.1	138.3	91.6	154.4	2/ 113.3	206.2	104.2	142.3	91.2	116.0	86.7
19	139.8	90.6	136.9	90.5	153.5	2/ 107.8	169.7	100.9	140.3	90.1	117.1	85.7
26	146.2	91.7	140.9	89.5	2/ 147.6	2/ 102.2	138.0	103.8	146.7	89.0	118.9	85.1
Apr. 2	145.5	89.9	140.5	88.3	2/ 162.5	109.5	199.2	102.0	147.4	88.3	121.4	85.4
9	145.5	85.6	144.5	83.9	169.8	109.1	164.2	98.7	144.7	85.6	122.0	82.2
16	138.4	86.8	135.9	85.3	155.3	110.0	160.8	97.7	142.3	84.8	119.8	---
High 3/	149.6	105.2	144.5	104.8	169.8	131.1	206.2	112.3	147.4	101.7	122.0	90.5
Low 3/	134.9	85.6	133.4	83.9	147.6	109.1	153.7	97.7	136.6	84.8	109.5	82.2

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ No. 1 Heavy Dark Northern Spring.
3/ January 8 to April 16, 1938 and corresponding dates for 1937.

The trend in wheat prices is expected to be downward as adjustment is made toward the new-crop basis. Some temporary strengthening in prices may occur, however, as this is the time of year when crop scares and declining receipts of Southern Hemisphere grain in European markets may be expected.

As at least a partial offset to the price effect of large prospective wheat supplies after the new crop is harvested, loans provided under the Agricultural Adjustment Act of 1938 would cause grain to be withheld from market and thereby serve as a check on declining prices. If parity price remains about unchanged, loans to farmers under the Act would average not less than 60 cents compared with present average local market prices of around 75 cents.

ACREAGE AND CONDITION OF FALL-SOWN RYE

Additional data for rye acreage have been received for only one country, Yugoslavia, since the March issue of this report. Table 11 shows virtually no change from last year in the 12 countries for which estimates are available. The condition of the crop is above average in Germany and in Poland and in both countries is much better than at this time last year.

The rye crop in the United States came through the winter with less injury than usual and the condition on April 1 was 81 percent of normal compared with 71 percent a year ago and 78 percent, the average for the 10 years, 1927-36. In the Great Plains area, which includes the important rye-producing States of North Dakota, South Dakota, and Nebraska, the April 1 condition was considerably above the unusually low condition of last year and is also slightly above the 10-year average condition. Weather during the winter was generally more favorable than usual, and the April 1 condition of rye showed an increase of 7 points over the December 1 condition of 74 percent, whereas the 10-year average for April 1 is 3 points below the 10-year average condition on December 1.

Table 6.-Wheat: Imports into the United States for domestic utilization and for grinding in bond, and export, annually 1923-24 to 1936-37 and monthly, July 1937 to February 1938

Crop year	Fully duty wheat (tariff 42 cents)	Wheat unfit for human consumption (tariff of 10 percent ad val.) 1/	Total imports for domestic utilization (total of first 2 columns)	For grinding in bond and export 2/
	Bushels	Bushels	Bushels	Bushels
1923-24	13,783,423	---	13,783,423	13,904,837
1924-25	272,548	---	272,548	5,813,353
1925-26	1,664,843	---	1,664,843	13,421,480
1926-27	48,808	---	48,808	13,171,683
1927-28	161,297	---	161,297	15,043,679
1928-29	79,136	---	79,136	22,480,962
1929-30	44,607	---	44,607	12,903,364
1930-31	40,756	307,336	348,092	19,013,090
1931-32	6,057	---	6,057	12,878,851
1932-33	5,767	1,354	7,121	9,372,151
1933-34	143,656	5,729	149,385	11,341,052
1934-35	5,905,380	8,146,044	14,051,424	11,064,092
1935-36	25,288,519	9,205,128	34,493,647	11,978,659
1936-37	30,205,430	4,057,016	34,262,446	13,468,667
1937-				
July	490,060	3,650	493,710	769,719
Aug.	101,400	0	101,400	766,290
Sept.	1,274	0	1,274	452,105
Oct.	103	500	603	348,167
Nov.	60	0	60	182,527
Dec.	180	0	180	78,000
1938-				
Jan.	3,553	0	3,553	50,293
Feb.	110	0	110	25,400

Imports for consumption from United States Tariff Commission, July 1923 to December 1933, and from Bureau of Foreign and Domestic Commerce, January 1934 to date.

1/ Beginning June 18, 1930, a new classification, wheat unfit for human consumption, was introduced by the 1930 Tariff Act.

2/ Wheat for grinding in bond for export, which enters duty free. Beginning June 18, 1930, includes wheat ground into flour in bond for export to Cuba, a new classification in the 1930 Act. From June 18, 1930 to September 3, 1936 the duty on this wheat equaled the reduction in Cuban duty and the reduction in the consumption tax applicable by treaty to such flour imported into Cuba. On September 3, 1936 the consumption tax was repealed.

Table 7.- Movement of wheat, including flour, from principal exporting countries, 1934-35 to 1937-38

Country	Exports as given by official sources: Total 1934-35	1935-36	1936-37	July 1 to date shown 1935-36	1936-37	1937-38	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 1/	21,532	15,929	21,584	10,165	14,019	63,447	Feb. 28
Canada	169,630	237,447	213,028	157,282	178,088	73,921	Feb. 28
Argentina	187,000	76,577	162,085	64,625	130,980	50,047	Mar. 31
Australia	108,007	102,258	95,970	49,933	43,502	47,647	Jan. 31
Russia	4,286	29,704	4,479	27,080	2,343	31,836	Dec. 31
Hungary	12,499	14,644	27,428	8,359	19,026	5,885	Jan. 31
Yugoslavia	4,401	728	17,302	115	10,226	4,586	Jan. 31
Rumania	3,432	6,391	35,540	9,996	23,476	23,797	Jan. 31
Bulgaria	375	988	7,273	943	4,922	5,625	Jan. 31
British India	2,318	2,556	14,674	656	855	1,082	Aug. 31
Total	513,480	487,222	599,363				

Country	Shipments as given by trade sources: Total 1935-36	1936-37	Week ended 1937-38 Apr. 2	Apr. 9	Apr. 16	July 1 - April 16 1936-37	1937-38
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
North America 2/	220,464	225,902	2,416	1,506	2,491	187,608	144,957
Canada, 4 markets 3/	246,199	194,531	293	341	150	165,647	65,789
United States	7,219	10,049	1,600	970	1,485	7,132	64,969
Argentina	78,312	164,678	1,680	1,029	1,881	141,974	51,926
Australia	110,576	105,836	4,184	4,249	6,014	77,028	90,415
Russia	29,024	88	272	1,440	736	88	38,312
Danube & Bulgaria 4/	8,312	65,544	648	688	624	50,168	34,184
British India	5/2,556	5/14,674	128	104	0	8,696	11,970
Total 6/	449,244	576,722				465,562	371,764
Total European shipments 2/	360,264	484,600	7,928			7/361,904	7/299,600
Total ex-European shipments 2/	131,760	127,192	1,760			7/102,560	7/ 69,528

1/ Includes flour milled in bond from foreign wheat.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Official.
6/ Total of trade figures includes North America as reported by Broomhall's but does not include items 2 and 3.
7/ To April 2.

Table 8.-Shipments of wheat, including flour from principal exporting countries, specified dates, 1936-37 and 1937-38

Period	Argentina 1936-37	Argentina 1937-38	Australia 1936-37	Australia 1937-38	Danube 1936-37	Danube 1937-38	North America 1936-37	North America 1937-38
	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-Feb.	91,712	39,312	58,548	62,128	46,664	29,296	171,888	125,800
Week ended-								
Mar. 5	9,108	2,580	3,736	3,036	136	784	2,384	3,320
12	7,232	2,220	2,524	4,528	176	416	1,848	2,408
19	8,420	1,972	3,428	3,856	584	864	2,232	3,624
26	5,984	1,252	2,308	2,420	728	864	2,072	3,392
Apr. 2	6,476	1,680	2,448	4,184	272	648	2,096	2,416
9	7,536	1,029	1,992	4,249	488	688	2,208	1,506
16	5,504	1,881	2,044	6,014	1,320	624	2,840	2,491

Compiled from Broomhall's Corn Trade News.

Table 9.-Exports of wheat and wheat flour from the United States, 1936-37 and 1937-38
(Includes flour milled in bond from foreign wheat)

Period	Wheat 1936-37	Wheat 1937-38	Wheat flour 1936-37	Wheat flour 1937-38	Wheat including flour 1936-37	Wheat including flour 1937-38
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July-Feb.	1,804	48,218	2,599	3,240	14,019	63,447
Week ended-						
Mar. 5	20	1,167	37	72	194	1,505
12	13	1,253	30	53	154	1,502
19	0	1,907	36	81	169	2,288
26	20	1,742	18	57	105	2,010
Apr. 2	0	1,168	48	92	226	1,600
9	0	538	35	92	164	970
16	0	1,217	10	57	47	1,485

Compiled from reports of the Department of Commerce.

Table 10.- Net imports of wheat, including flour, into European countries, year beginning July 1, 1936-37 and 1937-38

Country	1936-37	1937-38 1/ forecast	July 1 to	Net imports reported 1936-37	Net imports reported 1937-38
	Mil.bu.	Mil.bu.		Mil.bu.	Mil.bu.
Austria	10	10	Jan. 31	5	4
Belgium	40	40	Jan. 31	25	25
Czechoslovakia	2/ -11	2/ - 1	Feb. 28	2/ - 4	2/ - 2
Denmark	7	6	Feb. 28	5	4
Finland	4	3	Jan. 31	2	2
France	7	21	Jan. 31	4	8
Germany	23	29	Feb. 28	1	34
Greece	21	13	Jan. 31	12	8
Ireland	14	13	Feb. 28	10	10
Italy	54	10	Feb. 28	17	5
Latvia	1	1	Jan. 31	3/	1
Netherlands	21	24	Feb. 28	14	16
Norway	9	8	Feb. 28	4	4
Poland	2/ - 6	0	Feb. 28	2/ - 5	3/
Portugal	4/	3	Dec. 31	4/	4/
Sweden	4/	2/ - 1	Feb. 28	2/ - 1	2/ - 1
Switzerland	19	16	Feb. 28	12	10
United Kingdom	199	200	Feb. 28	133	126
Total imports of above	429	397			
Spain	6	3			
Total imports	435	400		244	257
Total exports	17	2		10	3
Total, net imports	418	398		234	254

Compiled from official sources except as otherwise stated.
1/ Based on forecasts by European offices of the Bureau of Agricultural Economics
2/ Net exports. 3/ Net exports of less than 500,000 bushels.
4/ Less than 500,000 bushels.

Table 11.- Winter rye: Area sown in specified countries for harvest in 1936, 1937 and 1938

Country	1936	1937	1938
	1,000 acres	1,000 acres	1,000 acres
United States	6,494	7,593	6,869
Canada	483	799	517
Total (2)	6,977	8,392	7,386
Belgium	385	375	380
Bulgaria	402	426	436
Czechoslovakia	2,466	2,358	2,423
France 1/	1,611	1,620	1,621
Germany	11,006	10,122	10,285
Greece	160	160	1/ 171
Lithuania	1,207	1,251	1,327
Poland	14,346	14,076	14,471
Rumania	1,021	1,052	1,102
Yugoslavia	551	544	530
Total (10)	33,155	31,984	32,746
Total (12)	40,132	40,376	40,132

1/ Sowings to January 1.