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MONTHLY SUMMARY

OF

THE WHEAT SITUATION IN AUSTRALIA

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Prepared under instructions from the Honorable the Treasurer

by

ROLAND WILSON, B. Com., D. Phil., Ph. D.

Commonwealth Statistician

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1. ESTIMATES OF AREA AND PRODUCTION, 1939-40.

State	ESTIMATES OF AREA			ESTIMATES OF PRODUCTION		
	Authority	Date	Area Acres	Authority	Date	Production bushels
N.S.W.	Govt. Statistician	20th Mar.	4,392,000	Govt. Statistician	20th Mar.	76,551,000
Vic.	Govt. Statist ..	19th April	2,827,417	Govt. Statist ..	19th April	45,054,000
Q'land	Q'ld. Wheat Board	1st April	360,459	Q'ld. Wheat Board	1st April	6,586,000
S.A.	Govt. Statist ..	23rd Oct.	2,800,000	Govt. Statist (a)	27th Feb.	41,000,000
W.A.	Govt. Statistician	7th Dec.	2,949,000	Govt. Statistician	6th Feb.	41,500,000
Tas.	Deputy Com. Statn.	20th Feb.	0,000	Deputy Com. Statn.	20th Feb.	193,000
A.C.T.	Com. Statistician	7th Nov.	2,000	Com. Statistician	7th Nov.	50,000
Aggregate for C'wealth	-	-	13,338,876	-	-	210,933,500

(a) In collaboration with Australian Wheat Board.

2. AREA, PRODUCTION AND AVERAGE YIELD.

The tables below give particulars of Area, Production and Average Yield as collected by the State authorities for the years 1934-35 to 1938-39.

AREA SOWN UNDER WHEAT FOR GRAIN - AUSTRALIA. (in 1,000 acres.)

Year	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	A.C.T.	AUSTRALIA
1934-35	3,893	2,458	322	3,188	2,764	17	2	12,544
1935-36	3,851	2,324	340	2,959	2,541	10	2	11,957
1936-37	3,983	2,394	284	3,058	2,575	21	1	12,312
1937-38	4,465	2,686	373	3,162	3,026	21	2	13,731
1938-39	4,651	2,748	442	3,026	3,413	10	2	14,343
Average 10 years ended 1939	4,302	3,063	277	2,526	3,158	17	2	14,343
Estimate 1939-40 (a)	4,392	2,827	361	2,800	2,949	8	2	13,339

PRODUCTION OF WHEAT - AUSTRALIA. (in 1,000 bushels)

Year	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	A.C.T.	AUSTRALIA
1934-35	48,676	25,850	4,076	27,456	26,985	308	40	133,341
1935-36	48,822	37,352	2,690	31,616	23,315	186	36	144,227
1936-37	55,668	42,345	2,016	28,715	21,549	571	26	151,390
1937-38	55,104	48,173	3,749	43,429	36,225	525	50	187,235
1938-39	59,893	48,104	8,584	31,674	38,844	205	59	155,359
Average 10 years ended 1939	55,935	38,416	4,113	34,700	35,812	374	43	169,393
Estimate 1939-40 (a)	76,551	45,055	6,586	41,000	41,500	193	50	210,933

AVERAGE YIELD PER ACRE - AUSTRALIA.

Year	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	A.C.T.	AUSTRALIA
	bush.	bush.	bush.	bush.	bush.	bush.	bush.	bush.
1934-35	12.50	10.51	12.36	8.61	9.76	17.46	21.31	10.6
1935-36	12.68	16.16	12.30	10.58	9.18	17.83	22.56	12.06
1936-37	13.96	17.90	7.11	9.39	8.37	26.76	17.98	12.2
1937-38	12.34	17.93	10.05	13.73	11.97	25.00	25.00	13.6
1938-39	12.88	6.59	19.42	10.28	10.79	20.66	26.74	10.8
Average 10 years ended 1939	13.00	12.54	14.35	9.86	11.34	21.73	20.63	11.8
1939-40 Indicated (a)	17.45	15.93	16.27	14.07	14.07	24.00	25.00	15.8

(a) See Section 1 above.

3. WEATHER CONDITIONS.

(Compiled from reports of the Commonwealth Meteorologist and current press reports).

New South Wales: The weather during March was dry over the greater part of the State and the long dry spell experienced since November continued. Preparations for the sowing of the wheat crops were hampered owing to the hardness of the ground. Early in April, however, substantial falls were received fairly generally and the drought was ended. Good following-up rains were received later in the month.

Victoria: Dry and hot conditions prevailed in Victoria during March except for some moderate falls in parts of the North Eastern and Central Divisions. The North East benefited further as a result of heavy rains at the beginning of April and later in the month good general falls were received over the State. Wheat growers have been able to commence seeding in the Mallee, while Wimmera growers may proceed with extra cultivations prior to cropping.

Queensland: Heavy rains were received during March and April and prospects are reported to be excellent.

South Australia: Rainfall during March was below average and the greater part of the State experienced a record hot month. Practically the whole State benefited by good rains received in April and cultural preparations for sowing were pushed ahead.

Western Australia: Conditions were very dry in most parts of the State during March and April. As there has been little rain in the South West since the end of October, a break in the long dry spell is anxiously awaited.

Tasmania: Rainfall during March was below average in most parts of the State but fairly good rains received early in April improved the general outlook. Later in the month substantial falls were received over the greater part of the State.

4. WHEAT PRICES.

Following the acquisition of the 1939-40 Australian crop by the Commonwealth Government, it was no longer possible to continue this table on the former basis of "shippers' limits" f.o.b. ports. From November, 1939, the quotations represent approximate export prices comparable with prices quoted for previous months.

WHEAT PRICES - AUSTRALIA.

(Source: New South Wales Government Statistician, other States daily press).

(Weighted average of shippers' limits for growers' bagged and bulk lots, Sydney, Melbourne and Adelaide).
(pence per bushel)

Month	1935	1936	1937	1938	1939	1940
January..	32.80	44.54	61.04	51.86	29.00	(a)46.50
February	34.12	42.29	60.28	51.51	29.05	(a)46.50
March ..	36.04	43.22	64.07	47.96	27.19	(a)47.00
April ..	39.36	44.11	64.55	46.17	26.12	
May ..	36.75	43.90	62.66	44.69	30.28	
June ..	36.59	42.19	60.40	41.85	28.68	
July ..	34.42	46.63	65.21	42.02	26.15	
August ..	36.81	55.22	61.14	36.92	24.98	
September	40.30	55.64	60.47	32.72	29.93	
October..	43.51	58.44	61.06	33.58	32.00	
November	40.11	56.87	53.96	30.34	(a)32.00	
December	41.33	62.98	51.65	28.96	(a)35.00	
<u>Average:</u>	37.84	49.67	60.61	40.72	(b)	

(a) See text above for qualifications. (b) Not available.

5. OVERSEA FREIGHT RATES.

(Source: Overseas Shipping Representatives Association)

In the following table are shown the freight rates ruling at the end of the month for shipments of wheat in parcels from Australia to United Kingdom and Continental Ports.

FREIGHT RATES PER TON WEIGHT ON WHEAT (PARCELS) - AUSTRALIA TO THE UNITED KINGDOM AND CONTINENTAL PORTS.

Last Day of Month	1936	1937	1938	1939	1940
	s. d	s. d	s. d	s. d	s. d
January..	28. 9	40. 0	36. 3	33. 9	(d)
February	28. 9	40. 0	40. 0	33. 9	(d)
March ..	27. 6	42. 6	33. 9	31. 3	(d)
April ..	25. 0	45. 0	33. 9	31. 3	(d)
May ..	26. 3	45. 0	33. 9	31. 3	
June ..	26. 3	45. 0	33. 9	31. 3	
July ..	30. 0	45. 0	33. 9	31. 3	
August ..	32. 6	45. 0	33. 9	31. 3	
September	32. 6	45. 0	33. 9	(a)	
October..	32. 6	45. 0	33. 9	(b)	
November	32. 6	40. 0	33. 9	(b)	
December	40. 0	40. 0	33. 9	(c)	

(a) 31/3 plus War Surcharge of 25% as from 11th September.

(b) 31/3 plus War Surcharge of 50% as from 13th October.

(c) 35/- plus War Surcharge of 50%.

(d) Not available.

The next table gives particulars of the charter rates for wheat shipped to United Kingdom and Continental ports during the month.

CHARTER RATES PER TON WEIGHT ON WHEAT - AUSTRALIA TO THE UNITED KINGDOM AND CONTINENTAL PORTS.

(Prior to 1938 supplied by the Overseas Shipping Representatives Association, thereafter compiled from published figures in various shipping journals).

Month	1936	1937	(b)1938	(b)1939	(b)1940
	s. d	s. d	s. d	s. d	s. d
January..	(a)	(a)	41. 0	31. 6	(a)
February	(a)	(a)	38. 1	31. 1	(a)
March ..	27. 0	37. 6 to 39. 9	36.11	(c)27. 7	(a)
April ..	(a)	38. 3 to 44. 6	32. 6	31. 1	(a)
May ..	(a)	47. 0 to 53. 6	31. 7	30. 0	
June ..	25. 6	49. 0 to 53. 6	31. 8	30. 6	
July ..	(a)	41. 3	31. 9	29.11	
August ..	(a)	44. 3	31. 9	(a)	
September	29. 3	41. 6 to 47. 0	31. 8	(a)	
October..	(a)	45. 9 to 50. 9	31. 6	(a)	
November	(a)	43. 6 to 50. 9	31. 6	(a)	
December	32. 0 to 45. 6	32. 3 to 43. 0	31. 7	(a)	

(a) Not available. (b) Weighted Average Charter Rates for Wheat shipped during the month to United Kingdom and Northern Continental Ports. (c) Includes 8 sailing vessels.

6. EXPORTS OF WHEAT AND FLOUR.

Publication of the table showing quantities of wheat and flour exported from Australia will be discontinued until further notice.

7. IMPORTS OF WHEAT AND FLOUR INTO THE UNITED KINGDOM.

Data not available.

8. PRODUCTION OF FLOUR.

Detailed particulars of the production of flour in Australian mills during the year 1936-37 were included in issue No. 1 of Volume 3 of this Summary. Particulars of the production of flour in 1937-38 will not be published in this Summary.

9. STOCKS OF WHEAT AND EXPORTABLE SURPLUS.

Publication of the table showing the exportable surplus of wheat and flour in Australia, will be discontinued until further notice. The table showing the stocks of wheat at country sidings will also be discontinued.

10. INTERNATIONAL REVIEW.

While reports have been received of heavy acreage abandonment in important areas of the United States Winter Wheat areas, there appears to be a more optimistic feeling regarding the probable out-turn. A measurement of recent improvement in the South West crops is afforded by the trend in private estimates of production. In January these estimates averaged approximately 390 million bushels, at the beginning of April 423 million, and in early May 437 million. Official figures give support to those private estimates. The Crop Reporting Board of the United States Department of Agriculture, in its report as of 1st April, 1940, forecast production at 426 million bushels.

UNITED STATES. WINTER WHEAT CROP 1940.

Particulars	Indicated 1st April	Final 1939	Final 1938	Average 1928-1937
Yield per sown acre (bus.)	9.5	12.5	12.2	11.9
Production (million bus.)	426.2	563.2	666.1	560.2

The United States Bureau of Agricultural Economics has estimated the 1940-41 domestic supply at 900 million bushels. This apparently means that the quantity available for export and carry-over as at 1st July 1941 is estimated at 237 million bushels. Private estimates of the carry-over at 1st July, 1940 range from 275 to 300 million bushels. A carry-over of this magnitude would ensure that domestic supplies would be ample even if the 1940 crop proves a partial failure. Apparently very little United States wheat is reaching export channels at the moment and brokers in that country express the view that European countries will curtail purchases of wheat as far as possible to conserve supplies of foreign exchange.

Wheat growers in the United States have continued their policy of redeeming wheat pledged against Government Loans and are now selling in the open market at a profit of 8 - 9 cents a bushel.

The Canadian Wheat Board has again been criticized for permitting free trading in wheat on the Winnipeg Exchange. There has been a renewal of the demand of Canadian prairie farmers for a price equal to that paid by the United Kingdom Government to United Kingdom producers. In effect this means a demand for 130 cents per bushel on prairie farms. The Canadian Wheat Board on the other hand, has expressed the view that it would be unwise to destroy the competitive nature of the market, more especially in a season which was commenced with a surplus of 472 million bushels. It would appear that the growers have made some progress towards their objective since an advisory committee representative of growers has been appointed to assist the Canadian Wheat Board. Broomhall has drawn attention to the fact that the 1939 Canadian crop was sufficient to supply the needs of the United Kingdom for 2½ years. He expressed the view that it was fortunate for the United Kingdom that, in spite of adverse seasons and low prices, the Canadian grower carried on. By increasing the proportion of Canadian wheat in mill grists to 60 per cent, the United Kingdom has assisted materially towards the disposal of the Canadian surplus. The average weekly absorption of Manitoba types in the United Kingdom represents the equivalent of 2,400,000 bushels.

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With regard to the 1940 Canadian crop, some anxiety has been expressed regarding the moisture supply. Good rains in May and June will be essential if the deficiency is to be made good.

The wheat crop in India has made a good recovery with the advent of March rains and the first official estimate of production has been stated as 390 million bushels. This figure represents an increase of 19 million bushels on the quantity harvested in 1939 and is only 12 million bushels less than the 1938 production. A crop of 390 million bushels would enable India to enter the export market should the need arise. However, if it were necessary to use neutral shipping for the disposal of the surplus, it is doubtful whether India could quote sufficiently attractive delivery prices. However, Broomhall suggests that satisfactory prices for Indian shippers might be obtained, if the United Kingdom was prepared to release British tonnage for this trade.

Reports indicate that a considerable proportion of the Winter wheat in Europe has been killed by the adverse climatic conditions experienced during the Winter and early Spring. The acreage sown was much reduced as a result of unfavourable weather at seeding time together with the shortage of available man-power. This shortage of man-power may again prove an important factor in reducing the area sown to Spring grains though most European countries have taken steps to release the necessary labour as far as is consistent with the exigencies of the military situation.

Field work is generally in arrears owing to flooding, and intense activity will be necessary as soon as conditions improve. In the United Kingdom, the Winter wheat crop is reported to be in fair condition. It is confidently anticipated that the Government's drive to bring an additional 2 million acres under cultivation will be successful. Severe damage has been caused to the Winter crop in France and Roumania. It is estimated that at least 22½ million acres will have to be sown to Spring grains in Roumania. Flooding has occurred over thousands of acres in Yugo-Slavia and relief measures have been instituted by the Ministry of Agriculture. In Hungary, little progress with field work has been possible and it is likely that farmers will concentrate on sowing maize rather than Spring wheat. An official campaign for the more intensive use of fertilisers for wheat has been instituted in Italy.