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OF

THE WHEAT SITUATION IN AUSTRALIA

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No. 2.

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Prepared under instructions from the Honorable the Treasurer

by

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## 1. AREA, PRODUCTION AND AVERAGE YIELD.

Complete details of the area sown to wheat for grain in Australia for the season 1940-41 are not yet available. Preliminary estimates have been released for New South Wales, Victoria, Queensland, and South Australia as follows.

**New South Wales:** The forecast of the Director of Marketing in New South Wales issued on 21st June indicates that the area sown and intended to be sown in that State is expected to show a decrease of 2.7 per cent. compared with the previous year.

**Victoria:** On 23rd August the Director of Agriculture advised that a preliminary estimate of the acreage sown to wheat for grain in Victoria amounted to 2,650,000 acres. This represents a decrease of 175,000 acres or 6.25 per cent. compared with the previous year. It was emphasized that about 75,000 acres or 3 per cent. of the foregoing area had not then been sown and may not be seeded unless favourable rains fell early.

**South Australia:** A reduction of 50,000 acres or 1.7 per cent. is also expected in South Australia. This estimate is based on farmers' intentions to sow as reported by them at the conclusion of the last harvest.

**Queensland:** In Queensland, however, the State Wheat Board expect that the area seeded for grain will be not less than the previous record area of 442,000 acres. As the area sown to wheat in this State is generally less than 3 per cent. of the total for Australia, fluctuations in the area seeded in Queensland have little influence on the total for Australia.

The tables below give particulars of Area, Production and Average Yield as collected by the State authorities for the years 1935-1936 to 1939-40.

### 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
1935-36 ..	3,851	2,324	240	2,989	2,541	10	2	11,957
1936-37 ..	3,923	2,394	284	3,058	2,575	11	1	12,316
1937-38 ..	4,468	2,686	378	3,162	3,026	21	2	13,735
1938-39 ..	4,651	2,742	440	3,080	3,413	10	2	14,346
1939-40 ..	4,392	2,827	361	2,737	2,949	8	2	13,276
Average 10 years ended 1940	4,344	2,989	292	3,436	3,096	16	2	14,175

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

Year	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	A.C.T.	AUSTRALIA
1935-36 ..	42,222	37,552	2,390	31,813	23,315	186	36	144,217
1936-37 ..	55,630	42,845	3,016	29,718	21,849	571	26	151,990
1937-38 ..	59,104	48,372	3,748	43,429	36,225	525	50	187,255
1938-39 ..	53,898	46,104	3,584	31,671	36,444	205	59	155,368
1939-40 ..	76,551	45,654	3,582	40,985	40,860	75	50	210,160
Average 10 years ended 1940	60,149	43,881	4,353	36,464	33,990	344	45	177,726

### 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.
1935-36 ..	12.29	13.16	11.30	10.58	9.18	17.88	22.56	12.06
1936-37 ..	12.28	17.90	7.11	9.39	8.37	26.78	17.38	12.29
1937-38 ..	12.54	17.93	10.03	13.73	11.97	25.00	25.00	13.63
1938-39 ..	12.28	16.59	19.25	10.28	10.79	10.84	23.74	10.83
1939-40 ..	17.42	15.93	13.21	14.67	13.86	9.32	25.00	15.83
Average 10 years ended 1940	13.85	13.51	14.28	10.61	11.63	21.06	21.15	12.54

## 2. WEATHER CONDITIONS.

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

New South Wales: July was the third successive month of deficient rainfall. Conditions in August were no better and the outlook at the moment is regarded as serious. Fears are expressed that, unless good rains are received before the middle of September, widespread crop failures will be inevitable.

Victoria: Conditions in Victoria were improved by the July rains and the light falls registered in August. These were insufficient to ensure a satisfactory outlook and unless heavy falls are received soon only light yields can be expected.

Queensland: Light rains which fell during July and August were insufficient and further falls are needed to prevent any deterioration.

South Australia: The condition of the crops is regarded as fairly satisfactory but more rain is needed. With adequate spring rains, satisfactory yields are expected in this State.

Western Australia: The July rains benefited the crops of this State but in general, the outlook at the moment is not very reassuring. More rain is urgently needed.

Tasmania: Wheat crops in Tasmania were improving but were still in a backward condition.

## 3. 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.r 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	61.84	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	28.12	(a)48.00
May ..	38.75	43.90	62.66	44.69	30.28	(a)48.00
June ..	36.59	42.19	60.40	41.85	28.58	(a)48.00
July ..	34.12	46.63	65.21	42.02	26.15	(a)48.00
August ..	36.81	55.22	61.14	36.92	24.99	
September ..	40.30	55.64	60.47	32.72	29.33	
October ..	43.51	58.44	61.06	33.58	32.00	
November ..	40.11	56.87	53.98	30.34	(a)32.00	
December ..	41.33	62.98	51.85	28.96	(a)35.00	
<b>Average:</b>	37.84	49.67	60.61	40.72	(b)	

(a) See text above for qualifications.

(b) Not available.

#### 4. 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	(d)
June ..	26. 3	45. 0	33. 9	31. 3	(d)
July ..	30. 0	45. 0	33. 9	31. 3	(d)
August ..	32. 6	45. 0	33. 9	31. 3	(d)
September ..	32. 6	45. 0	33. 3	(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	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	(a)
June ..	25. 6	49. 0 to 53. 6	31. 8	30. 6	(a)
July ..	(a)	41. 3	31. 9	29.11	(a)
August ..	(a)	44. 3	31. 9	(a)	(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.

## 5. EXPORTS OF WHEAT AND FLOUR.

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

## 6. IMPORTS OF WHEAT AND FLOUR INTO THE UNITED KINGDOM.

Data not available.

## 7. PRODUCTION OF FLOUR

Detailed particulars of the production of flour in Australian mills during 1938-39 were included in issue No. 1 of Volume 5 of this Summary. Similar details for 1939-40 will not be available for some months.

## 8. 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.

## 9. INTERNATIONAL REVIEW.

Reports regarding the wheat crops now being harvested in Europe indicate that they will be insufficient and there is every prospect of a serious shortage.

All those European countries which normally have a surplus for export report much reduced outputs. The harvests of Rumania, Bulgaria and Yugo-Slavia are below domestic requirements and these countries are likely to be net importers. The absence of any surplus wheat from these Danubian countries, which normally export wheat in considerable quantities, will increase the difficulties of obtaining supplies by those countries now occupied by Germany or by those who are unable to obtain supplies from elsewhere.

Limited information is available regarding the position of wheat in other importing European countries. Sweden's crop of 18 million bushels is little more than half of the previous years' harvest. In Spain, production is estimated at 120 million bushels which is 40 million bushels below normal consumption.

Reports of the Russian harvest indicate that the yields are substantially better than is being obtained elsewhere in Europe. Whether any surplus will exist to meet European deficiencies is problematical. The net exports of the Soviet during the five years ended 1937 averaged only 20 million bushels whereas the normal annual demand of Europe, excluding the United Kingdom, is generally in excess of 160 million bushels.

The harvest in the United Kingdom is progressing excellently while that of Italy is also reported to be favourable. Turkey expects a large crop and it is anticipated that any surplus will be used to meet the expected deficiencies of Bulgaria and Greece.

The shortness of supplies in Europe may be contrasted with the abundance reported elsewhere. Wheat surpluses accumulated in the major exporting countries to a high level in 1939 and the stocks held in 1940 are the greatest ever recorded. It is evident that the presence of these large surplus stocks, the abundance of the present Canadian crop and the loss of the European markets are factors which must add to the difficulties confronting the wheat-growing industry in the major exporting countries of the world.

The official forecast of the United States' 1940 harvest has been increased to 731 million bushels compared with 754 million bushels in 1939 and 763 million bushels, the average for the ten years 1928-1937. This is sufficient for local requirements and to allow for an

/export

export of about 60 million bushels.

In Canada, the current harvest is expected to yield 500 million bushels. This figure suggests a production considerably in excess of the average for the past five years and may be compared with 567 million bushels, the record harvest of 1928.

Wheat stocks held in Canada on 31st July last amounted to 273 million bushels compared with 95 million bushels held in 1939 and 24 million bushels in 1938. If the estimated harvest of 500 million bushels be added to the stocks held in July last, the total available supply of wheat in the Dominion for the cereal year 1940-41 would reach 773 million bushels.

After deducting Canada's normal requirements of wheat estimated at 120 million bushels, the balance available for export may be stated at 650 million bushels. The prospects of disposing of all of this huge surplus under present circumstances appear remote and the problem therefore resolves itself into one of storage. The British Ministry of Food has agreed to purchase 100 million bushels of Canadian wheat during the year ended July, 1941.

The final official estimate of the wheat crop in India gives the area at 34 million acres and the production at 403 million bushels. Compared with the average for the five years 1933-37, the area shows no change but the production for 1940 is greater than the average by 46 million bushels.

The exportable surplus of wheat held in the Argentine at the end of August is officially stated at 17,414,760 bushels. The corresponding figure at the end of May, 1940 was 29,600,000 bushels.

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