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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

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11th July, 1940.

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

State	ESTIMATES OF AREA			ESTIMATES OF PRODUCTION		
	Authority	Date	Area	Authority	Date	Production
N.S.W.	Govt. Statistician	20th Mar.	4,392,000	Govt. Statistician	20th Mar.	bushels 76,551,000
Vic.	Govt. Statist ..	19th April	2,827,417	Govt. Statist ..	19th April	45,054,592
Q'land	Q'ld. Wheat Board	1st April	360,459	Q'ld. Wheat Board	1st April	6,585,000
S.A.	Govt. Statist ..	17th May	2,736,920	Govt. Statist ..	17th May	40,984,726
W.A.	Govt. Statistician	7th Dec.	2,949,000	Govt. Statistician	22nd May	40,810,000
Tas.	Deputy Com. Statn.	20th Feb.	8,000	Deputy Com. Statn(a)	3rd June	75,000
A.C.T.	Com. Statistician	7th Nov.	2,000	Com. Statistician	7th Nov.	50,000
Aggregate for C'wealth	-	-	13,275,796	-	-	210,110,318

(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 1948-39.

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	222	3,188	2,764	17	2	12,544
1935-36	3,851	2,324	240	2,989	2,541	10	2	11,957
1936-37	3,983	2,394	284	3,058	2,575	21	1	12,316
1937-38	4,465	2,686	373	3,162	3,026	21	2	13,735
1938-39	4,651	2,748	442	3,080	3,413	10	2	14,346
Average 10 years ended 1939	4,302	3,063	277	3,526	3,158	17	2	14,345
Estimate 1939-40 (a)	4,392	2,827	361	2,737	2,949	8	2	13,276

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	48,678	25,850	4,076	27,456	26,985	308	40	133,393
1935-36	48,822	27,552	2,690	31,616	23,315	186	36	144,217
1936-37	55,668	42,845	2,016	28,715	21,549	571	26	151,390
1937-38	55,104	48,173	3,749	43,429	36,225	525	50	187,255
1938-39	59,898	18,104	8,584	31,674	36,844	205	59	155,368
Average 10 years ended 1939	55,935	38,416	4,118	34,700	35,812	374	43	169,398
Estimate 1939-40 (a)	76,551	45,055	6,585	40,984	40,810	75	50	210,110

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	18.38	8.61	9.76	18.46	21.91	10.63
1935-36	12.68	16.16	11.30	10.58	9.18	17.88	22.56	12.06
1936-37	13.98	17.90	7.11	9.39	8.37	26.78	17.98	12.29
1937-38	12.34	17.93	10.05	13.73	11.97	25.00	25.00	13.63
1938-39	12.88	6.59	19.42	10.28	10.79	20.84	28.74	10.83
Average 10 years ended 1939	13.00	12.54	14.88	9.84	11.34	21.73	20.63	11.81
1939-40 Indicated (a)	17.43	15.93	18.27	14.97	13.84	9.38	25.00	15.83

(a) See Section 1 above.

3. WEATHER CONDITIONS

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

New South Wales: Moisture conditions, which were improved by the April rains, received a set-back during May. Dry weather was experienced almost generally over the State during the month and continued throughout June. Rain is required urgently in order that growth may be maintained.

Victoria: Rainfall during May was below average and sowing was delayed in a number of districts. Germination was reported to be patchy and growth slow. Light showers only were received in June and heavier falls are badly needed over the whole of the Northern areas of the State.

Queensland: Rainfall during May was below normal. Except for an area in the Darling Downs where crops were reported to be growing well, growth has been retarded by the dry conditions. Scattered light falls were received in June.

South Australia: Sowing of cereal crops was completed in most districts by the end of May. However, the month was dry and growth was backward. The settled areas of the State received moderate falls during June.

Western Australia: During May, rainfall was again below normal in all divisions of the State. Fairly good falls were received in some sections of the wheat area but at the end of the month the situation was causing anxiety. However, good rains received in June relieved the position considerably.

Tasmania: During May, light falls only were received in most districts and crops were reported to be backward. In June good falls were received over most 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	61.84	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	28.68	
July ..	34.42	46.63	65.21	42.02	26.15	
August ..	36.81	55.22	51.14	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	53.98	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	(d)
June ..	26. 3	45. 0	33. 9	31. 3	(d)
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	(a)
June ..	25. 6	49. 0 to 53. 6	31. 8	30. 6	(a)
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.

The June report of the United States Crop Reporting Board confirmed the increased private estimates of Winter wheat production. The official estimate of 489 million bushels shows an increase of 29 million bushels on the figure issued a month previously, and is only 6 million bushels below the average of the private estimates. The marked increases in the successive estimates of the Winter crop demonstrate the remarkable hardiness of the wheat plant and its quick response to any improvement in conditions. Details of the official report are shown in the table below.

UNITED STATES

WINTER WHEAT CROP 1940.

Particulars	Indicated 1st June	Indicated 1st May	Final 1939	Final 1938	Average 1928-1937
Yield per harvested acre (bushels)	14.3	13.5	14.9	13.8	14.5
Production (million bushels) ..	488.9	459.7	553.4	688.1	560.2

It is, as yet, too early to form an opinion of the progress of the Spring crop in the United States. However, on the assumption that growers have seeded the acreage indicated in the March prospective plantings and that the 20 year average yield is obtained, a Spring crop of 200 million bushels should be realized.

A long-range forecast of the probable statistical position in 1940-41 has been made by the United States Department of Agriculture. Together, the Winter and Spring wheat crops should yield about 689 million bushels and the carry-over at 31st July, 1940, has been estimated at 274 million bushels. A harvest of 689 million bushels would cover domestic requirements and in any event the carry-over of 274 million bushels would make up for any deficiency. It is evident that except for a serious disaster to the Spring crop, the United States will have a surplus in the coming season. Officially it is anticipated that in 1940-41 the United States will export 66 million bushels. The Farm Act provides for the release of funds to subsidize an annual exportation equal to the average of the preceding 10 years.

In connection with the 1940 Wheat Loan Program, the United States' Secretary of Agriculture, Mr. Wallace, has announced that the loan will average about 64 cents a bushel compared with 63 cents last year. The loan, plus a parity payment of 19 cents per bushel, assures the farmer of a return of not less than 83 cents per bushel regardless of the market price.

Broomhall again expresses the view that the Argentine crop harvested in the closing months of 1939 was underestimated. Comment has been made with reference to the smallness of the remaining surplus which was officially estimated at 15th June as 22.4 million bushels. Broomhall takes the view that more wheat may have been harvested than was indicated by the official figure, particularly wheat of low quality. He supports this contention by reference to the quantity of light-weight wheat being marketed. In view of the poor prospects of the wheat crop in Europe this year, the "Times of Argentina" advocated an extension of the Argentine wheat acreage and official sources indicate that some increase in area is certain.

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The second official estimate of the All-India wheat production, issued on the 23rd May, was 598.4 million bushels. This represents an increase of 8.8 million bushels on the April estimate. A crop of this size, following as it does three other years of above-average wheat crops, might be expected to result in significant exports of wheat this season. Normally, exports are said to depend upon the price relationships of the various food crops in India, and, to some extent, upon foreign wheat prices. However, in a year when world conditions and transportation difficulties are additional factors for consideration, it is difficult to make any forecast of the volume of exports.

Reports of crops in Europe continue to be meagre. Germany is exercising a strict censorship in respect of weather and crop news in the territories invaded by her, and reports of crops in other countries are subject to considerable delay. In any case, there is little chance of checking up on such data as are made available.

It would appear that the wheat crop in Italy is developing satisfactorily and an excellent harvest is anticipated. Crops in Rumania have been improved by useful rains, though the Spring wheat is reported to be showing more promise than the Winter crop. In Hungary, growth is reported to be backward as a result of unseasonable cold weather, while in Yugo-Slavia more favourable conditions have brought about a considerable improvement in the crop. Spring sowings in Russia, at 25th May, totalled 193 million acres or 93 per cent of the Plan. In the dry areas in the Volga region prospects have been improved by good rains.

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