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MONTHLY SUMMARY

OF

THE WHEAT SITUATION IN AUSTRALIA

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Volume 4.

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Prepared under instructions from the Honorable the Treasurer

by

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10th June, 1940.

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	45,054,592
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.	2,945,000	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 New South Wales	-	-	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 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	222	3,188	2,764	17	2	12,544
1935-36	3,851	2,324	240	2,989	2,511	10	2	11,957
1936-37	3,983	2,394	284	3,058	2,575	21	1	12,316
1937-38	4,465	2,666	373	3,162	3,026	21	2	13,735
1938-39	4,651	2,748	442	3,080	3,413	10	2	14,316
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	123,393
1935-36	46,822	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	33,400	36,225	525	50	187,255
1938-39	59,898	18,104	8,584	31,674	36,844	205	39	155,368
Average 10 years ended 1939	55,935	36,416	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	18.33	8.61	9.78	18.46	21.91	10.43
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	26.79	17.98	12.29
1937-38	12.34	17.93	10.35	13.73	11.97	25.00	25.00	13.63
1938-39	12.88	6.59	19.42	10.28	10.79	20.86	28.74	10.83
Average 10 years ended 1939	13.00	12.54	14.88	9.84	11.34	21.73	20.83	11.81
1939-40 Indicated (a)	17.43	15.93	18.27	14.97	13.90	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: Excellent rains over the greater part of the State. April ended the protracted dry spell. Sowing of wheat and oats was commenced and crops were showing well at the end of the month. Scattered rains only were received in May and further falls are needed.

Victoria: Good rains in April improved seasonal prospects throughout the State and the sowing of cereals was commenced. Sowing proceeded actively over whole wheat belt in May but further rain would be welcomed particularly in the Mallee and parts of the Wimmera.

Queensland: Conditions are reported to be most favourable in this State. Good rains in April were followed up by moderate falls in May.

South Australia: Moderate rains were received in April and seeding operations were commenced. Further light to moderate falls in May were welcomed and seasonal prospects are reported to be good.

Western Australia: Dry weather continued during April. Over a large portion of the wheat-belt, seeding operations were delayed seriously and dry seeding was resorted to in some districts. The abnormally dry conditions were continued in May and seeding was further held up.

Tasmania: The April rainfall was below average in all parts of the State but such rains as were received were of a soaking type. Rainfall was again deficient in May, only light falls being received.

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.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	61.54	51.86	29.00	(a)47.
February ..	34.12	42.29	60.28	51.51	29.05	(a)46.
March ..	36.04	43.22	64.07	47.36	27.19	(a)44.
April ..	39.36	44.11	64.55	46.17	26.12	(a)46.
May ..	39.75	43.90	62.56	44.69	30.28	
June ..	36.59	42.19	60.40	41.85	28.58	
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	60.37	32.72	26.93	
October ..	43.51	58.44	61.06	33.58	32.00	
November ..	40.11	56.87	53.98	30.34	(c)32.00	
December ..	41.33	62.98	51.75	28.96	(a)35.00	
Average:	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	
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	
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.

Broomhall has drawn attention to the difficulty of any attempt to form estimates of the 1940 World Supply and Demand. He points out that too little data are available and that there are too many unforeseen and unforeseeable circumstances in wartime to permit of accurate estimating. Pre-war estimates made early in August suggested that importing countries would take about 576 million bushels or 24 million bushels less than in 1938-39. In January, after four months of war, the estimate of import requirements was reduced to 560 million bushels. The reduction in the estimate was justified by reference to the cutting off of certain countries from sources of supply by the Allied Blockade and the recourse to reserve stocks. A further reduction in his estimate of world trade in wheat was announced by Broomhall early in April. Out of a total ascertainable World surplus of 1,040 million bushels, it was estimated that importing countries would take only 528 million bushels.

The invasion of Scandinavia produced an upward trend in prices, but it has been suggested that this tendency was due, not to any increase in demand but rather to speculative interest. Wheat imports into the Scandinavian region have undergone considerable curtailment and Denmark has ceased to exist as a substantial importer.

Large scale military operations in Holland and Belgium, involving a war of movement, must have been destructive to the agriculture of these countries. Mobilization of man-power and the adverse winter had already decreased seasonal prospects in most European countries and the extension of the war zone will have a further depressing effect on wheat production.

In the United Kingdom, 2 million additional acres have come under the plough but of this area only a small part is likely to be devoted to wheat. Instead, the land will be used for the production of fodder crops such as oats, barley, and root crops. Reports from France, received about the middle of May, were inclined to be more optimistic and crops were apparently making good progress. In Italy, a spell of good weather has brought on the wheat crop rapidly and it is claimed that in Upper Italy a normal harvest will be secured while in the South yields will be above average. Reference has been made in previous "Summaries" to the increasing difficulty of obtaining crop data from Europe generally.

In the United States crop experts have become more optimistic as the season has advanced. In December, the average of private forecasts of the winter wheat crop was 399 million bushels. Early in April this figure was increased to 428 million bushels and was thus in close agreement with the figure of 426 million issued by the Crop Reporting Board. In May the Crop Reporting Board increased its forecast of production to 460 million bushels. Early in June, forecasts of the crop experts showed a further increase, the figures ranging from 479 million bushels to 512 million bushels. The continued improvement in the crop, indicated by these private estimates, has been most marked and the next estimate of the Crop Reporting Board will be awaited with particular interest.

With regard to the Spring wheat crop in the United States, widespread rains have enhanced crop prospects and it is reported that increased sowings are anticipated. Estimates of acreage, based on farmers' intentions to sow, indicate that an area of 19.4 million acres may be sown to Spring wheat. This area would represent an increase of 1.9 million acres compared with the 1939 acreage. Private estimates of production range from 229 million to 255 million bushels.

Broomhall's revised estimate of Canadian Wheat Supplies in the current season is shown in the table following:

CANADIAN WHEAT SUPPLIES
(million bushels)

Carry-over at 1st August, 1939	..	102
Crop, 1939	..	<u>469½</u>
Total Supplies:		<u>591½</u>
Home Requirements	..	120
Minimum Trade Reserves		<u>40</u>
		<u>160</u>
Available for Export:		<u>431½</u>

Shipments for the twelve months ended 31st July, 1940, have been estimated at 230 million bushels. This suggests that the carry-over at the end of the current season may be as much as 241 million bushels, compared with the previous record carry-over of 209 million in 1933. The Dominion Bureau of Statistics has issued its first estimate of the area sown to Spring wheat in Canada as 27.5 million acres. The final figure for 1939 was 26.0 million acres, and, for 1938, 25.2 million acres. It has been reported that the Canadian Wheat Board has sold to the British Government 50 million bushels. The price is said to be considerably above the present market. The Corn Trade News has pointed out that while the Canadian grower has averaged the equivalent of 3/- per bushel sterling on the farm, the cost per bushel to the British Government for this wheat, by the time it is unloaded in the United Kingdom, approximates 5/10 sterling per bushel.