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of

THE WHEAT SITUATION IN AUSTRALIA

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Volume 2

No. 3

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1. AREA, PRODUCTION AND AVERAGE YIELD.

Particulars of the area sown to wheat for grain for the coming harvest remains unaltered at 13,744,000 acres. The information on which this estimate is based is not complete for all States but will become available at an early date. Pending the completion of this detailed information, reference has been made to such other official sources of information as are available.

The estimated area of 13,744,000 acres forecasts an increase of 1.4 million acres, or 11.4 per cent., on that of the previous year, but is 500,000 acres, or 3.5 per cent., less than the average area sown in the previous ten seasons.

The following tables furnish details of area, production and average yield per acre, by States, for the years 1932-33 to 1936-37 in addition to the average for decennial period 1928 to 1937 inclusive. Particulars of estimated area for the season 1937-38 are also shown for each State, together with the source on which these estimates are based.

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

Year	N.S.W.	Vic.	Q'ld.	S.A.	W.A.	Tas.	F.C.T.	AUSTRALIA
1932-33	4,804	3,231	250	4,067	3,389	21	3	15,765
1933-34	4,584	3,053	232	3,822	3,183	24	3	14,901
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(a)	3,962	2,394	335	3,058	2,571	21	1	12,342
Average 10 years ended 1937	4,101	3,197	244	3,541	3,141	19	2	14,245
1937-38	(b) 4,516	(c) 2,700	(d) 350	(e) 3,182	(f) 2,969	(g) 25	(g) 2	(g) 13,744

PRODUCTION OF WHEAT - AUSTRALIA (In 1,000 bushels)

Year	N.S.W.	Vic.	Q'ld.	S.A.	W.A.	Tas.	F.C.T.	AUSTRALIA
1932-33	78,870	47,843	2,494	42,430	41,792	433	65	213,927
1933-34	57,057	42,613	4,362	35,373	37,305	561	67	177,338
1934-35	48,678	25,850	4,076	27,456	26,985	308	40	133,393
1935-36	48,822	37,552	2,690	31,616	23,315	186	36	144,217
1936-37(a)	54,837	42,845	2,341	28,715	21,291	504	26	150,559
Average 10 years ended 1937	51,981	39,087	3,538	32,279	35,465	417	35	162,802

AVERAGE YIELD PER ACRE - AUSTRALIA

Year	N.S.W.	Vic.	Q'ld.	S.A.	W.A.	Tas.	F.C.T.	AUSTRALIA
	bush.	bush.	bush.	bush.	bush.	bush.	bush.	bush.
1932-33	16.42	14.81	9.97	10.43	12.33	20.64	19.03	13.57
1933-34	12.45	13.96	18.80	9.26	11.72	23.27	21.66	11.90
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(a)	13.84	17.90	6.72	9.39	8.28	24.50	17.97	12.19
Average 10 years ended 1937	12.68	12.22	14.52	9.12	11.29	21.62	18.27	11.43

- (a) Final estimate. (b) Based upon estimate of State Director of Marketing.
(c) Estimate of Department of Agriculture. (d) Estimate of Queensland Wheat Board.
(e) Based upon estimate of Government Statist. (f) Estimate of Government Statistician.
(g) Estimated.

2. WEATHER CONDITIONS.

Climatic conditions during August were distinctly favourable throughout the wheat areas of Australia. These were followed by good rains in the early part of September and the prospects of a favourable harvest appeared promising. Towards the end of that month, however, prospects became less favourable owing to the absence of adequate rains at that period of the crops growth. Substantial falls are needed in most States.

The condition of the crop in New South Wales was much improved by the August rains. These were followed by good falls during September which helped to consolidate the position. The prospects on the whole are reported to be satisfactory but further rains are urgently needed. Some districts have reported the presence of grasshoppers.

In Victoria, the opportune rains of August were followed by further good falls in September. The condition of the crops in this State appear quite satisfactory and, given adequate falls during the next few weeks, the prospects of a satisfactory harvest appear favourable. The seasonal prospects in South Australia continue to be good. Reports emphasise the promising conditions existing in all of the agricultural areas and, given favourable spring weather, a bountiful harvest is expected. The presence of grasshoppers is reported from a few places.

In Western Australia the August rains were supplemented by further showers in September and seasonal conditions appear promising with the exception of crops situated in the central and north-eastern areas. The abnormally dry period spell which occurred in July affected the crops in these areas and it is expected that they will not harvest well. In the remainder of the State the outlook is regarded as satisfactory.

In Queensland seasonal conditions in the wheat areas are regarded as favourable following upon the excellent rains which fell towards the end of August. These have since been supplemented by further falls in September. Heavy rains have fallen in Tasmania and the seasonal outlook in this State is regarded as promising.

3. WHEAT PRICES.

The movement in the price of wheat during the month of September was confined to narrow limits; the average price for the month amounting to 59.13d. per bushel compared with 60.18d. per bushel in August. Trading in wheat is restricted owing to the fact that only a small surplus is available in Australia at the present time and, in addition, farmers holding grain are disinclined to sell at the present price.

The course of wheat prices in Australia is shown in the following table for the years 1932 to 1937:-

WHEAT PRICES - AUSTRALIA
(Weighted average of shippers' limits for growers' bagged lots,
Sydney, Melbourne and Adelaide)
(pence per bushel)

Month	1932	1933	1934	1935	1936	1937
	d.	d.	d.	d.	d.	d.
January	37.22	32.80	29.32	32.80	44.54	61.84
February	38.03	31.65	28.36	34.12	42.29	60.28
March	36.64	31.70	28.43	36.04	43.22	64.07
April	36.75	32.86	28.92	39.36	44.11	64.39
May	37.46	35.83	29.48	38.75	43.90	62.56
June	35.62	36.83	31.71	36.59	42.19	59.92
July	35.33	39.65	33.78	34.42	46.63	64.44
August	38.35	37.74	38.94	36.61	55.22	60.18
September	39.56	35.41	36.06	40.30	55.64	(a) 59.13
October	36.48	29.85	32.59	43.51	58.44	
November	34.64	30.78	29.66	40.11	56.87	
December	32.76	29.81	30.25	41.33	62.98	
Average:	36.57	33.74	31.46	37.64	49.67	

(a) Price on 30th September, 1937 = 61.30d.

4. OVERSEA FREIGHT RATES.

In the following table are shown the monthly freight rates on 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	1933	1934	1935	1936	1937
	s.d	s.d	s.d	s.d	s.d
January	26.3	22.6	26.3	28.9	40.0
February	26.3	22.6	23.9	28.9	40.0
March	20.0	20.0	21.3	27.6	42.6
April	20.0	21.3	21.3	25.0	45.0
May	20.0	21.3	22.6	26.3	45.0
June	20.0	22.6	23.9	26.3	45.0
July	21.3	22.6	23.9	30.0	45.0
August	22.6	26.3	23.9	32.6	45.0
September	22.6	26.3	25.0	32.6	45.0
October	23.9	26.3	25.0	32.6	
November	25.0	26.3	25.0	32.6	
December	22.6	26.3	26.3	40.0	

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

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

Month	1933	1934	1935	1936	1937
	s.d	s.d	s.d	s.d	s.d
March	23.0	23.0	20.0	27.0	37.6
April	(a)	(a)	(a)	(a)	to 39.9
May	(a)	(a)	(a)	(a)	38.3
June	22.6	24.0	23.0	25.6	to 44.6
July	(a)	(a)	(a)	(a)	47.0
August	(a)	(a)	(a)	(a)	to 53.6
September	23.6	27.6	27.6	29.3	49.0
December	26.3	25.6	24.0	32.0	to 53.6
				to 45.6	41.3
					44.3
					41.6
					to 47.0

(a) Not available.

5. EXPORTS OF WHEAT AND FLOUR.

Particulars of the quantity of wheat and flour exported from Australia to principal countries for the five years ended 1936-37 were given in issue No. 1 of Volume 2 of this Summary, but consideration of space precludes their repetition.

In the following table particulars of exports of wheat and flour are shown for each of the four months ended August, together with the total exports for the nine months of the cereal years 1935-36 and 1936-37. The principal countries of recorded destination and the exporting States are shown in addition to the total volume of exports in terms of wheat.

5. WHEAT AND FLOUR EXPORTED TO PRINCIPAL COUNTRIES.

Country to which exported	1 9 3 7				TOTAL SEASON DECEMBER-AUGUST	
	May	June	July	August	1935-36	1936-37
<u>WHEAT - IN BUSHELS OF 60 lb.</u>						
	bushels	bushels	bushels	bushels	bushels	bushels
United Kingdom	2,522,560	2,466,520	1,966,597	921,906	25,696,743	22,455,788
Irish Free State	665,730	294,117	-	-	2,090,668	3,313,997
Other British Countries ..	72,175	26,160	83,250	191,963	1,410,907	1,093,771
China ..	-	-	143,663	-	3,271,598	1,234,095
Italy ..	65,342	-	-	-	-	6,769,367
Japan ..	191,183	18,432	331,332	372,227	6,508,601	3,132,451
Other Foreign Countries ..	(d) 1,336,422	(e) 1,109,103	(f) 530,108	(g) 328,457	4,010,482	3,918,900
For Orders (a)	5,169,765	4,634,091	2,317,885	1,865,980	15,131,372	22,008,331
TOTAL:	10,023,177	8,548,423	5,372,835	3,680,533	58,120,371	63,926,700
<u>Exporting States:</u>						
New South Wales	3,183,270	1,728,490	1,080,350	11,248	15,131,710	19,091,734
Victoria ..	2,874,572	2,772,188	2,540,903	1,156,992	12,894,948	17,968,105
Queensland ..	80	50	37	13	270	372
South Australia	2,210,097	2,203,567	1,170,028	2,493,572	18,300,498	16,003,163
Western Australia	1,755,158	1,844,128	581,517	40	11,792,945	10,844,658
Tasmania ..	-	-	-	18,668	-	18,668
TOTAL:	10,023,177	8,548,423	5,372,835	3,680,533	58,120,371	63,926,700
<u>FLOUR - IN TONS OF 2,000 lb.</u>						
	tons	tons	tons	tons	tons	tons
United Kingdom	18,175	9,740	12,361	17,143	102,056	144,190
Ceylon ..	1,116	1,546	1,121	1,032	11,047	10,933
Hong Kong ..	2,617	2,131	3,077	5,616	23,714	30,465
Malaya (British)	4,653	4,002	4,502	5,696	43,872	50,710
Other British Countries ..	8,672	4,106	4,397	6,903	46,750	51,182
China ..	357	119	64	112	893	1,910
Egypt ..	1,953	882	696	731	18,680	16,196
Manchuria (b)	-	-	1,582	-	61,545	7,416
Netherlands East Indies ..	4,782	4,644	5,144	6,686	54,800	54,320
Philippine Islands	1,426	2,245	3,167	2,976	28,279	28,353
Other Foreign Countries ..	3,332	2,355	2,847	3,171	37,070	30,379
TOTAL:	47,083	31,770	38,958	50,066	430,706	426,054
<u>Exporting States:</u>						
New South Wales	14,956	12,701	13,427	16,820	145,232	146,925
Victoria ..	20,497	11,024	17,160	21,215	186,448	172,333
Queensland ..	-	20	3	-	9	25
South Australia	6,774	3,048	3,141	6,558	42,782	46,410
Western Australia	4,856	4,977	5,227	5,473	56,235	60,361
TOTAL:	47,083	31,770	38,958	50,066	430,706	426,054
TOTAL - In Terms of Wheat (c)	bushels 2,259,984	bushels 1,524,960	bushels 1,869,984	bushels 2,403,168	bushels 20,673,888	bushels 20,450,832
<u>GRAND TOTAL - WHEAT AND FLOUR (IN TERMS OF WHEAT).</u>						
1935-36	8,385,435	5,931,789	4,207,236	4,936,795	78,794,259	-
1936-37	12,283,161	10,073,383	7,242,819	6,083,701	-	84,377,532

(a) Particulars of final destination of Wheat shipped "For Orders" not available.

(b) Including Kwantung Peninsula. (c) One ton of flour taken as equivalent to 48 bushels of wheat. (d) Including Netherlands 662,120 bushels. (e) Including Netherlands 551,082 bushels. (f) Including Netherlands 274,395 bushels. (g) Including Egypt 328,113 bushels.

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

The following table shows particulars of the quantity of wheat and flour imported into the United Kingdom in the year 1936, during the seven months ended July, 1936 and 1937, and also during the month of July of the same years.

Imports of wheat into the United Kingdom during July, 1937 amounted to nearly 16.5 million bushels, exceeding that of July, 1936 by 0.2 million bushels, or 1.4 per cent. Canada and Australia were the chief sources of supply in both months but it is noted that, in July, 1937, India's contribution was quite substantial, amounting to nearly 2.7 million bushels or 16 per cent. of the total imports. The imports from these three Empire countries amounted to 15.3 million bushels or nearly 93 per cent. of the total quantity of wheat imported. Compared with the corresponding month of 1936, imports from Australia increased by 3 million bushels (or 86 per cent.) whilst those of Canada decreased by 4.4 million bushels (or 42 per cent.). Imports from India rose from 0.1 million bushels to nearly 2.7 million bushels in July, 1937.

Imports of Wheat during the seven months ending July, 1937 were 3.7 million bushels less than imports for the same period of the previous year. There were reductions of 21.7, 4.4, and 7.8 million bushels in the respective supplies of Canada, Australia, and France, which were partly replaced by increases of 27.7 and 4.6 million bushels in the imports from Argentina and India respectively.

Imports of Flour into the United Kingdom during July amounted to 34,100 tons, which was approximately the same quantity as for July, 1936. Canada and Australia together supplied 88.5 per cent. of all flour imported. The amount supplied by Canada was practically the same as in July, 1936, but the supply received from Australia showed an increase of 3,600 tons. During the seven months of 1937 ending July, 5,900 tons more of flour were imported than during the similar period of 1936, Canada and Australia together supplying 84.4 per cent. of the total. Imports of Flour from Canada showed little variation from the previous year but those from Australia increased by 40 per cent.

The combined imports of Wheat and Flour into the United Kingdom, in terms of Wheat, amounted to 18.1 and 119.6 million bushels during July, 1937 and the seven months ending July, respectively, and showed an increase of 0.24 million and a decrease of 3.4 million bushels, respectively, when compared with the similar periods of 1936.

WHEAT AND FLOUR IMPORTED INTO THE UNITED KINGDOM.

Country from which imported	Year 1936	7 months ended July		Month of July	
		1936	1937	1936	1937
WHEAT.					
	bushels	bushels	bushels	bushels	bushels
Australia ..	43,445,177	31,289,433	26,873,244	3,520,462	6,550,002
Canada ..	107,971,708	61,130,800	39,439,899	10,495,010	6,105,663
India ..	6,082,333	155,200	4,735,492	142,134	2,691,392
Other British Countries	83,951	83,923	666,588	83,841	3,177
Argentine Republic	1,786,324	1,200,821	28,871,116	-	377,156
France ..	(b)	8,151,009	327,380	1,090,158	292,927
Germany ..	-	-	531,067	-	266,551
Roumania ..	8,248,268	745,242	947,621	162,982	65,154
Soviet Union ..	312,305	312,305	-	-	-
United States of America ..	84,756	-	19	-	-
Other Foreign Countries	20,162,753	6,462,359	3,423,524	740,486	110,785
TOTAL:	188,177,575	109,531,092	105,815,950	16,235,073	16,462,807

WHEAT AND FLOUR IMPORTED INTO THE UNITED KINGDOM.
(Continued)

Country from which imported	Year 1936	7 months ended July		Month of July	
		1936	1937	1936	1937
FLOUR - TONS OF 2,000 lb.					
	tons	tons	tons	tons	tons
Australia ..	138,298	81,220	113,605	8,442	12,059
Canada ..	229,831	130,289	129,485	18,536	18,133
Other British Countries	222	222	1,330	-	-
Argentine Republic	15,254	6,955	14,186	946	2,138
France ..	40,914	29,464	19,613	3,849	991
United States of America ..	4,345	2,100	2,228	160	166
Other Foreign Countries	39,672	31,915	7,605	1,981	613
TOTAL:	468,536	282,165	288,052	33,914	34,100
TOTAL - In terms of Wheat (a)	bushels 22,489,728	bushels 13,543,920	bushels 13,826,496	bushels 1,627,872	bushels 1,636,800
GRAND TOTAL - Imports of Wheat and Flour in terms of Wheat (a)	210,667,303	123,075,012	119,642,446	17,862,945	18,099,607

(a) One ton of flour taken as equivalent to 48 bushels of wheat. (b) Included with "Other Foreign Countries".

7. PRODUCTION OF FLOUR.

Particulars of the production of flour in Australian mills during the year 1935-36 were included in issue No. 1 of Volume 2 of this Summary. Considerations of space preclude their repetition.

8. STOCKS OF WHEAT AND FLOUR AND EXPORTABLE SURPLUS.

Particulars concerning stocks of wheat and flour held by millers and merchants, together with those stacked at country sidings and at terminal ports, are collected at the 30th November in each year. This information is shown in the following table, together with the estimated surplus available for export on the date indicated.

EXPORTABLE SURPLUS OF WHEAT AND FLOUR (IN TERMS OF WHEAT) - AUSTRALIA.

Particulars	Unit	1933-34	1934-35	1935-36	1936-37
Stocks at 30th November -					
Wheat ..	bush.	14,375,614	34,708,963	12,371,270	3,418,393
Flour ..	tons	86,638	112,385	89,637	101,063
Total in terms of Wheat	bush.	18,534,212	40,103,463	16,673,867	8,269,417
Production ..	bush.	177,337,803	133,393,232	144,217,769	150,559,000
Total supply in sight, 30th November ..	bush.	195,872,015	173,496,695	160,891,636	158,828,417
Less Local requirements for year ..	bush.	54,888,000	54,610,000	55,000,000	56,000,000
Balance = Exportable Surplus	bush.	140,984,015	118,886,695	105,891,636	102,828,417
Less Exports, 1st December to 31st August ..	bush.	68,910,338	80,360,779	78,794,259	84,377,532
Estimated Exportable Surplus at 1st September ..	bush.	72,073,677	38,525,916	27,097,377	18,450,885

DISPOSITION OF STOCKS.

Complete details of the disposition of the above stocks are not available. Particulars of the quantities stacked at country sidings and terminal ports, however, are compiled by the Railway Department in each of the four chief producing States and are shown hereunder.

STOCKS OF WHEAT STACKED AT COUNTRY SIDINGS AND TERMINAL PARTS - 1937.

State	Last week in month of					
	April	May	June	July	August	September
	bushels	bushels	bushels	bushels	bushels	bushels
New South Wales	16,035,654	11,598,570	8,937,567	5,782,281	4,149,456	2,994,039
Victoria ..	20,074,518	16,523,013	12,463,644	10,489,980	8,725,617	7,073,574
South Australia	8,680,257	6,405,321	4,580,154	2,659,371	1,712,970	1,203,156
Western Australia	5,942,533	2,924,926	1,998,415	1,730,065	1,490,700	(a)
TOTAL OF ABOVE	50,732,962	37,451,830	27,979,780	20,661,697	16,078,743	(a)

(a) Not yet available.

9. INTERNATIONAL REVIEW.

The harvesting of the wheat crops in the Northern Hemisphere is now completed and sufficient information is available to review production and the probable excess supply available to meet estimated import requirements in several countries. Particulars of the production and trade in wheat for the principal producing countries of the Northern Hemisphere are shown in the following table for the periods stated.

PRODUCTION OF WHEAT - PRINCIPAL COUNTRIES. (In 1,000 bushels)

Country	1935	1936	1937(c)	Net Trade (a)	
				1935-36	1936-37 (b)
Europe -					
United Kingdom ..	65,396	55,263	55,100	204,533	165,613
Irish Free State..	6,687	7,837	7,900	14,952	10,322
Austria ..	15,510	13,514	14,000	7,047	7,473
Belgium and Luxemburg	17,122	17,180	17,000	38,980	33,155
Bulgaria ..	47,925	59,304	64,000	- (1,138)	- (6,393)
Czechoslovakia ..	62,097	55,582	50,000	2,203	- (7,463)
Denmark ..	14,672	11,391	11,000	8,960	5,297
Finland ..	4,233	5,442	6,026	4,223	2,868
France ..	284,955	242,500	250,000	8,128	6,643
Germany ..	171,490	162,661	158,000	- (218)	11,830
Greece ..	27,179	23,450	34,600	14,753	18,110
Hungary ..	84,224	86,745	69,700	-(17,105)	-(23,613)
Italy ..	282,761	224,585	294,000	5,735	44,937
Latvia ..	6,522	5,273	5,500	- (1,543)	797
Lithuania ..	10,093	7,944	8,300	- (2,123)	-
Netherlands ..	16,652	16,259	15,000	21,605	17,822
Norway ..	1,870	2,094	2,200	7,593	7,370
Poland ..	73,884	78,360	65,800	- (6,748)	- (5,083)
Portugal ..	22,094	8,392	14,550	- (3,602)	110
Roumania ..	96,441	128,717	137,000	- (5,868)	-(31,828)
Spain ..	157,987	121,493	139,600	(d)	(d)
Sweden ..	23,612	21,524	26,000	- (1,885)	285
Switzerland ..	5,989	4,468	6,200	16,665	15,845
Yugoslavia ..	73,102	107,424	80,000	- (777)	-(17,228)
Total (excluding U.S.S.R.)	1,572,497	1,467,402	1,531,476	-	-

PRODUCTION OF WHEAT - PRINCIPAL COUNTRIES.

(Continued)

(In 1,000 bushels)

Country	1935	1936	1937(c)	Net Trade (a)	
				1935-36	1936-37 (b)
North America -					
Canada ..	281,935	229,218	188,191	-(253,428)	-(170,290)
United States ..	626,344	626,461	886,000	35,437	23,400
Mexico ..	10,711	13,606	11,000	-	-
<u>Total:</u>	918,990	869,285	1,085,191	-	-
Africa -					
Algeria ..	33,532	29,773	34,362	- (9,790)	- (5,458)
Morocco ..	20,036	12,236	17,637	- (4,873)	1,515
Tunis ..	16,902	8,084	18,600	- (4,568)	708
Egypt ..	43,221	45,702	44,924	172	- (180)
<u>Total:</u>	113,691	95,795	115,523	-	-
Asia, excluding China -					
India ..	363,209	351,902	366,000	- (1,883)	-(11,092)
Japan ..	48,718	45,195	48,000	5,405	3,797
Chosen ..	9,748	8,095	11,000	- (107)	- (10)
Turkey ..	92,640	138,498	110,000	- (528)	-(4,108)
Palestine ..	3,836	2,796	3,000	1,632	2,115
Syria ..	18,519	15,998	15,000	- (348)	-(1,417)
<u>Total:</u>	536,670	562,484	553,000	-	-
<u>GRAND TOTAL NORTHERN HEMISPHERE (EXCLUDING U.S.S.R. AND CHINA)</u>	3,161,848	2,994,966	3,285,190	-	-

(a) Excess of imports over exports. Minus sign denotes excess of exports over imports. (b) Ten months ending 31st May, 1937. (c) Subject to revision.

(d) Not available.

Omitting the production of the Soviet Union, China and some other producing countries of minor importance, the total yield of wheat in the Northern Hemisphere is estimated at 3,285 million bushels. This quantity is about 290 million bushels (or 10 per cent.) greater than that obtained in 1936 and is about equal to the average production for the five years ended 1936. The countries contributing to this increased output are the United States of America and Italy. The former increased its production by 260 million bushels (or 41 per cent.) and the latter by 70 million bushels (or 31 per cent.). Production in the other countries showed some fluctuation but the only serious reduction was that sustained by Canada. The total crop harvested in the Dominion is estimated to yield only 188 million bushels. Compared with 1936 and the average for the three years ended 1935, this represents a loss of 41 million bushels (or 18 per cent.) and 92 million bushels (or 33 per cent.), respectively.

No details of the production in the Soviet Union, which is omitted from the above table, have yet appeared. It is apparent, however, that yields have been satisfactory as sales amounting to 11 million bushels have been reported. The extent to which this country will export wheat during the coming season is difficult to forecast. It is noted, however, that one authority estimates that 32 million bushels will be shipped during the next twelve months.

The official forecast of production of winter wheat in China has been revised and is now stated at 636 million bushels. This output, which is 6 million bushels lower than that previously issued, represents the production of 17 provinces only. Government action has been taken to control prices in China and, in addition, the export of wheat is prohibited until June, 1938.

As previously mentioned, production in the Northern Hemisphere during the year 1937 is about 290 million bushels in excess of the quantity harvested in 1936.

European production increased by 64 million bushels, North American by 216 million bushels and the balance was distributed over the remaining countries. Arising from this increased output, it is expected that imports will show a contraction in 1937-38 compared with 1936-37. According to the estimates prepared by the Corn Trade News, importers' requirements for the year ended July, 1938 are stated at 498 million bushels compared with 590 million bushels in 1936-37, a decline of 92 million bushels (or 16 per cent.). Of this quantity of 498 million bushels, Europe is expected to import 408 million bushels leaving 90 million bushels available for other countries outside Europe. According to the same authority it is expected that these requirements will be met from the surpluses available in the following countries:- United States, 136 million bushels; Canada and Australia, 64 million bushels; Argentina, 112 million bushels; Soviet Union, 32 million bushels; Danubian Countries, 72 million bushels; and other countries, 16 million bushels.

The import requirements of Japan for the year 1937-38 are expected to be smaller than last year. Increased production in the 1937 crop in both Japan and Manchuria, larger carryover stocks from the previous season, and freight shortages are contributory factors.

The world stocks of wheat brought forward from previous years are very small compared with those held formerly. These stocks have been concentrated principally in North America, Argentine Republic and Australia, and are indicated in the following table:-

WHEAT STOCKS - PRINCIPAL PRODUCING COUNTRIES.

(In 1,000 bushels)

Country	Stocks held at 31st July				
	1933	1934	1935	1936	1937
Canada ..	212	194	202	108	33
United States (a) ..	378	274	146	136	90
Argentine Republic (b)	75	118	85	60	17
Australia (b) ..	44	80	44	32	24
TOTAL:	709	666	477	336	164

(a) 1st July. (b) Exportable stocks.

The area sown to wheat in the Argentine Republic for the season 1937-38 has been officially stated at 17,594,000 acres. Compared with that sown in the previous year (17,502,000 acres) this represents an increase of 92,000 acres or less than 1 per cent. In comparison with the estimated increase in Australia (1.4 million acres, or 11.4 per cent.) the increase for the Argentine Republic is relatively small. Reports, previously issued, indicated that drought conditions had seriously interfered with seeding operations and this may be a possible explanation of the small increase in the area sown. Rains averaging more than 1 inch fell towards the end of September and relieved the situation which was becoming serious in that country.