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THE WHEAT SITUATION IN AUSTRALIA

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1. AREA UNDER WHEAT.

The estimate of the area under wheat for grain in Australia for the season 1936-37 has been slightly increased from 12,406,000 acres to 12,530,000 acres, on account of the larger acreages forecasted in South and Western Australia. In the former State it is expected that the area will approximate 3,115,000 acres, an increase of 4 per cent. on the previous year, while in the latter State the area is estimated at 2,563,406 acres, an increase of nearly 1 per cent. over that of the previous year. Details of areas sown in recent years are included in the following table; but it should be noted that, with the exception of the two States mentioned, the areas indicated for 1936-37 are subject to revision when the final estimates become available.

AREA SOWN UNDER WHEAT FOR GRAIN - AUSTRALIA.

(In 1,000 acres)

Year	N.S.W.	Vic.	Q'd.	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	2,459	222	3,188	2,764	17	2	12,544
1935-36(a)	3,776	2,324	283	2,989	2,541	11	2	11,926
Average 10 years 1926-36 (a)	4,032	3,250	220	3,512	3,147	19	2	14,182
1936-37	(b) 4,000	(b) 2,500	(c) 335	(c) 3,115	(f) 2,563	(d) 15	(d) 2	12,530

- (a) Subject to revision.
- (b) Estimate of Department of Agriculture.
- (c) Based upon estimate of Government Statist.
- (d) Estimated.
- (e) Estimate of Queensland Wheat Board.
- (f) Estimate of Government Statistician.

2. PRODUCTION AND YIELDS.

Until the final forecast of area sown becomes available it would be hazardous to attempt to estimate the probable production for the coming season. In addition, the success or failure of the harvest will be determined by the climatic conditions experienced during the next month. It is proposed, therefore, to issue the first official forecast of production for Australia with the next issue of this summary, about the end of October. Reports from wheat-growing districts indicate that the crops are generally in good conditions, and that, given favourable weather during October, the yield should be satisfactory.

Particulars of the production and average yield in each of the several States during the past four years, and averages for the ten years ending 1935-36, are shown in the following table:

PRODUCTION OF WHEAT - AUSTRALIA.

(In 1,000 bushels)

Year	N.S.W.	Vic.	Qld.	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 (a)	47,265	37,552	2,632	31,616	23,309	212	31	142,617
Average 10 years 1926-36 (a)	51,079	39,491	3,345	32,963	36,366	423	32	163,699
1936-37	-	-	-	-	(b) 28,808	-	-	-

(a) Subject to revision. (b) Government Statistician's preliminary estimate.

AVERAGE YIELD PER ACRE - AUSTRALIA.

Year	N.S.W.	Vic.	Qld.	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 (a)	12.52	16.16	9.30	10.58	9.17	20.00	15.50	11.96
Average 10 years 1926-36 (a)	12.67	12.15	15.19	9.39	11.56	21.66	17.49	11.54
1936-37	-	-	-	-	(b) 11.24	-	-	-

(a) Subject to revision. (b) Government Statistician's preliminary estimate.

3. WEATHER CONDITIONS.

Climatic conditions during the month of August were most favourable throughout the wheat growing areas of Australia. In New South Wales the conditions were very satisfactory, and only light rains are required to ensure a satisfactory yield. In Victoria, the rainfall was sufficient for crop requirements. Some damage, however, was reported in the Mallee, consequent upon strong winds; whilst in other districts the growth of crops was retarded by cold weather.

Rainfall in South Australia during August was deficient, and crops in the major portion of the wheat areas are still backward. The condition of the crops was reported to be healthy but good rains are needed. Similarly, in Western Australia, crops were still in a backward condition but were making growth following the rains during August.

In Queensland conditions improved by reason of the good rains which fell during the early part of September, while in Tasmania the growth of the crops is slow.

4. WHEAT PRICES.

The marked recovery in the price of wheat during the months of August and September was outstanding. The chief factor contributing to this hardening of prices was the disappearance of the excess world stocks of wheat caused through decreased production in Europe and in North America. The following table shows the course of wheat prices in Australia by months for each of the years indicated. It will be seen that the September, 1936, price of 55.64d. is the highest realized since January, 1930.

WHEAT PRICES - AUSTRALIA.

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

Month	1930	1931	1932	1933	1934	1935	1936
	d.	d.	d.	d.	d.	d.	d.
January	61.32	26.09	37.22	32.80	29.32	32.80	44.54
February	55.32	25.65	38.03	31.65	28.36	34.12	42.29
March	51.98	26.15	36.64	31.70	28.43	36.04	43.22
April	53.94	26.78	36.75	32.86	28.92	39.36	44.11
May	53.24	29.41	37.46	35.83	29.48	38.75	43.90
June	51.28	27.06	35.62	36.83	31.71	36.59	42.19
July	46.24	26.29	35.33	39.65	33.78	34.42	46.63
August	44.83	25.19	38.35	37.74	38.94	36.81	55.22
September	37.36	25.03	39.56	35.41	36.06	40.30	55.64
October	32.40	30.73	36.48	29.85	32.59	43.51	(a)
November	30.93	39.71	34.64	30.78	29.66	40.11	
December	28.95	38.26	32.76	29.81	30.25	41.33	
Average:	45.65	28.86	36.57	33.74	31.46	37.84	

(a) Price on 5th October, 1936 = 56.86d.

5. OVERSEA FREIGHT RATES.

The following table gives monthly details of the 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
	s.d	s.d	s.d	s.d
January	26.3	22.6	26.3	28.9
February	26.3	22.6	23.9	28.9
March	20.0	20.0	21.3	27.6
April	20.0	21.3	21.3	25.0
May	20.0	21.3	22.6	26.3
June	20.0	22.6	23.9	26.3
July	21.3	22.6	23.9	30.0
August	22.6	26.3	23.9	32.6
September	22.6	26.3	25.0	
October	23.9	26.3	25.0	
November	25.0	26.3	25.0	
December	22.6	26.3	26.3	

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	1932	1933	1934	1935	1936
	s.d	s.d	s.d	s.d	s.d
March	30.0	23.0	23.0	14.0	27.0
June	20.0	22.6	24.0	23.0	25.6
September	25.0	23.6	27.6	27.6	
December	27.0	26.3	25.6	24.0	

6. EXPORTS OF WHEAT AND FLOUR.

Particulars of the quantity of wheat and flour exported to principal countries for the five years ending with 1935-36 were given in the first issue of this Summary, but considerations of space preclude their repetition.

In the following table particulars are shown of exports of Wheat and Flour for each of the five months ending with August, together with the total since the commencement of the season on 1st December, 1935. The principal countries of recorded destination and the States of export are given, in addition to the total volume of exports in terms of wheat.

6. WHEAT AND FLOUR EXPORTED TO PRINCIPAL COUNTRIES.

Country to which exported	1936					TOTAL SEASON
	April	May	June	July	August	December, 1935, to August, 1936
<u>WHEAT - IN BUSHELS OF 60 lb.</u>						
	bushels	bushels	bushels	bushels	bushels	bushels
United Kingdom ..	1,382,112	3,046,174	1,263,292	2,120,878	2,254,224	26,696,743
Irish Free State ..	-	48,860	587,503	-	283,163	2,090,668
Other British Countries	369,023	37,143	175,842	27,113	23,232	1,410,830
China ..	514,365	245,220	-	180,938	-	3,271,598
Japan ..	559,647	469,300	562,205	97,068	-	6,508,601
Other Foreign Countries	1,506,739	278,405	57,635	81,248	13,952	4,010,491
For Orders (a) ..	3,136,409	1,655,421	718,780	258,482	-	15,131,371
TOTAL:	7,468,295	5,780,523	3,365,257	2,765,727	2,574,571	59,120,302
<u>Exporting States:</u>						
New South Wales ..	1,561,927	868,242	2,808	16,090	924,959	15,131,714
Victoria ..	1,669,312	1,705,334	1,087,247	784,475	675,193	12,894,949
Queensland ..	-	-	-	-	50	193
South Australia ..	1,743,379	2,328,075	1,822,565	1,402,295	651,392	19,300,501
Western Australia ..	2,493,677	878,872	452,637	562,867	322,977	11,792,945
TOTAL:	7,468,295	5,780,523	3,365,257	2,765,727	2,574,571	59,120,302
<u>FLOUR - IN TONS OF 2,000 lb.</u>						
	tons	tons	tons	tons	tons	tons
United Kingdom ..	15,139	7,657	9,700	12,590	11,018	102,056
Ceylon ..	1,119	1,553	739	1,290	1,591	11,047
Hong Kong ..	3,771	2,714	2,241	3,370	4,447	25,714
Malaya (British) ..	4,326	4,441	4,973	5,252	6,330	43,872
Other British Countries	4,434	8,632	4,527	6,525	7,008	46,750
China ..	211	151	75	75	79	893
Egypt ..	2,081	2,262	112	5,733	2,515	18,680
Manchuria (b) ..	5,133	13,593	16,154	2,290	1,299	61,545
Netherlands East Indies	4,352	5,069	6,964	5,163	8,376	54,800
Philippine Islands	2,841	3,096	3,954	2,966	3,001	28,279
Other Foreign Countries	2,727	5,101	4,030	5,610	3,549	37,070
TOTAL:	46,134	54,269	53,469	50,864	49,213	430,706
<u>Exporting States:</u>						
New South Wales ..	16,143	18,613	14,238	14,625	15,309	145,232
Victoria ..	18,130	24,430	30,050	20,516	22,648	186,448
Queensland ..	1	-	-	-	-	9
South Australia ..	4,740	4,661	5,343	5,599	4,814	42,782
Western Australia	7,120	6,565	3,838	10,124	6,442	56,235
TOTAL:	46,134	54,269	53,469	50,864	49,213	430,706
GRAND TOTAL EXPORTS OF WHEAT AND FLOUR IN TERMS OF WHEAT: (c)	bushels	bushels	bushels	bushels	bushels	bushels
	9,682,727	8,385,435	5,931,769	5,207,199	4,936,795	79,794,190

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

(b) Including Kwantung Peninsula.

(c) One ton of flour taken as equivalent to 48 bushels of wheat.

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

The following table gives details of the quantities of wheat and flour imported into the United Kingdom from principal countries for the year 1935, for the months of July, 1935 and 1936, and for the seven months ended July for the same years. The table reveals that 189 million bushels of wheat were imported during the year 1935, of which Canada supplied 69 million bushels (36.5%), Australia 33 million bushels (17.5%), Argentina 42 million bushels (22.5%); these countries aggregating 144 million or 76.5 per cent.

In the seven months ended July, 1936, compared with the corresponding period of last year, imports from the Argentine Republic have shown a remarkable decline from 31.7 million bushels to 1.2 million bushels. Canada and Australia, however, have considerably increased their supplies. Imports from Canada totalled 61.1 million bushels compared with 35.4 million bushels imported during the corresponding seven months of 1935 and 68.9 million bushels for the year 1935, whilst imports of Australian origin amounted to 31.3 million bushels for the first seven months of the current year compared with 20.1 million bushels for the similar period in 1935 and 33.0 million bushels during the full year 1935.

The total quantity of flour imported during the year 1935 amounted to 447,000 tons, of which Canada supplied 237,000 tons (53%) and Australia 101,000 tons (23%). Imports during the seven months ended July, 1936, amounted to 282,000 tons, representing an increase of 11.6 per cent. over the corresponding period of the previous year. Imports from Australia advanced by 45 per cent. from 56,000 tons to 81,000 tons; whilst imports from Canada totalled 130,000 tons during each period. These two countries together supplied 75 per cent. of the total imports during the first seven months of the current year.

The aggregate imports of wheat and flour in terms of wheat amounted to 123 million bushels during the period under review, compared with 120 million bushels during the corresponding period of last year; and 210 million bushels during the full year 1935.

WHEAT AND FLOUR IMPORTED INTO THE UNITED KINGDOM.

Country from which imported	Year 1935	Seven months ended July		Month of July	
		1935	1936	1935	1936
<u>WHEAT - IN BUSHELS OF 60 lb.</u>					
	bushels	bushels	bushels	bushels	bushels
Australia ..	33,035,912	20,075,768	31,289,440	2,890,218	3,520,463
Canada ..	68,876,046	35,447,263	61,130,813	5,200,041	10,495,012
India ..	297,793	14,864	155,200	-	142,134
Other British Countries	78	78	83,923	-	83,842
Argentine Republic	42,468,776	31,675,695	1,200,821	4,231,452	-
Germany ..	321,052	201,736	-	110,839	-
Rumania ..	3,419,028	1,061,650	745,243	398,781	162,982
Soviet Union ..	12,887,674	-	312,305	-	-
United States of America ..	1,106,989	586,525	-	586,525	-
Other Foreign Countries	26,542,905	19,238,187	14,613,371	2,440,245	1,830,644
TOTAL:	188,956,253	108,301,766	109,531,116	15,858,101	16,235,077
<u>FLOUR - IN TONS OF 2,000 lb.</u>					
	tons	tons	tons	tons	tons
Australia ..	101,119	56,304	81,220	13,000	8,442
Canada ..	236,589	129,834	130,289	20,839	18,536
Other British Countries	201	28	222	-	-
Argentine Republic	11,337	7,544	6,955	1,393	946
France ..	49,719	35,731	29,464	3,407	3,849
Italy ..	23,646	13,189	-	604	-
United States of America ..	5,014	2,874	2,100	465	160
Other Foreign Countries	19,295	7,213	31,915	3,007	1,981
TOTAL:	446,920	252,717	282,165	42,715	33,914
GRAND TOTAL IMPORTS OF WHEAT AND FLOUR IN TERMS OF WHEAT (a)	bushels	bushels	bushels	bushels	bushels
	210,408,413	120,432,182	123,075,036	17,908,421	17,862,949

(a) One ton of flour taken as equivalent to 48 bushels of wheat.

8. PRODUCTION OF FLOUR.

Particulars of the production of flour in Australian mills were included in the first issue of this Summary but considerations of space preclude their repetition.

9. STOCKS OF WHEAT AND FLOUR.

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. The surplus available for export during the ensuing twelve months may be estimated by subtracting local consumption requirements for the year from stocks at the beginning of the year and adding current production.

If the total exports of wheat and flour in terms of wheat are deducted in each succeeding month from the estimated exportable surplus, the balance remaining should represent the stocks on hand at the end of any given month. This method of estimating the stocks currently available for export has been applied in the following table:

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

Particulars	Unit	1932-33	1933-34	1934-35	1935-36
Stocks at 30th November -					
Wheat ..	bus.	6,647,325	14,375,614	34,708,963	12,210,308
Flour ..	tons	85,658	86,638	112,385	89,637
Total in terms of Wheat	bus.	10,758,925	18,534,212	40,103,463	16,512,905
Production ..	bus.	213,926,981	177,337,803	133,393,232	142,623,000
Total Supply in sight, 30th November ..	bus.	224,685,906	195,872,015	173,496,695	159,135,905
Less Local requirements for year ..	bus.	56,963,000	54,888,000	54,610,000	55,000,000
Balance = Exportable Surplus ..	bus.	167,722,906	140,984,015	118,886,695	104,135,905
Less Exports, 1st December to 31st July ..	bus.	131,662,677	68,910,338	80,363,679	79,794,190
Estimated Exportable Surplus at 31st July ..	bus.	36,060,229	72,073,677	38,523,016	24,341,715

Complete details of the disposition of the exportable surplus are not available. Records are compiled by the Railway Departments in several of the States, but these furnish particulars only of the quantities stacked at country sidings and at terminal ports. These details are shown for the following States on the dates indicated:- New South Wales (12th September), 2,696,000 bushels; Victoria (16th September), 5,067,909 bushels; South Australia (29th August), 2,412,840 bushels; and Western Australia (12th September), 852,228 bushels. The totals given for these States aggregate 11,000,000 bushels.

10. INTERNATIONAL REVIEW.

The chief features of the world wheat situation are a further reduction of 10 million bushels in the estimates of the wheat crops just harvested in the Northern Hemisphere; a probable increase in the import demand as a result of this reduced yield; a further decrease in the anticipated world exportable surplus during the coming year, and the sustained improvement in the price of wheat during the past two months.

Sufficient information is now available to show, with reasonable precision, the probable production of wheat in the Northern Hemisphere in 1936. The following table sets out the production of the present harvest compared with that of previous years. The extent of the damage suffered by crops as a result of unfavourable conditions is indicated by the decline in the figures.

PRODUCTION OF WHEAT IN NORTHERN HEMISPHERE.

(In millions of bushels)

Particulars	1932	1933	1934	1935	1936 (a)
Europe excluding Soviet Union ..	1,490	1,747	1,546	1,547	1,495
North America ..	1,198	823	784	890	885
North Africa ..	127	110	134	112	97
Asia excluding China	377	402	408	421	398
TOTAL:	3,192	3,082	2,872	2,970	2,875

(a) Preliminary.

The countries chiefly responsible for the reduced yield are France, Italy, Spain and Portugal. It is reasonable to assume that these countries will require to import supplies during the coming year. The extent to which wheat will actually be imported will, of course, depend upon the amount of old season stocks accumulated in these countries from previous years, and to some extent on governmental policy.

The serious damage sustained by the crops of the United States and Canada remains an important factor in the world situation. The production of the United States has been forecasted at 633 million bushels, and it has been stated that an import of 40 million bushels will be necessary to meet the nations requirements. The production of Canada has been estimated at 232,973,000 bushels, which, if realised will be the smallest harvest produced in Canada since 1919. After providing for domestic requirements, it is estimated that the exportable surplus from the 1936 crop will be about 130 million bushels.

Although information is still incomplete, it is evident that the 1936 crop in the Northern Hemisphere is not sufficient for normal requirements. Hence it will again be necessary to draw upon surplus stocks accumulated from previous seasons. The International Institute of Agriculture has prepared a preliminary forecast of the world import requirements for the year 1936-37, which have been set down at about 570 million bushels. . . The exportable supplies have been estimated at approximately 460 million bushels, leaving a discrepancy of a little over 100 million bushels. Although these estimates are largely conjectural, it is evident that the world's excess supply, which has already been reduced to the pre-depression level, will be further reduced by approximately that amount. It would appear, then, that with supply and demand so evenly balanced, any shortage in production in Australia or the Argentine Republic during the coming season could lead to a further improvement in world prices.