

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA

MONTHLY SUMMARY

of

THE WHEAT SITUATION IN AUSTRALIA

AUGUST, 1937

Volume 2

No. 2

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6th September, 1937

1. AREA, PRODUCTION AND AVERAGE YIELD.

Particulars of the area sown to wheat for the coming harvest are now in course of collection in several States but complete details will not be available for some weeks. In the meantime it will be necessary to rely upon such other official estimates as have been made available. These indicate that the area sown to wheat for grain in Australia is estimated at 13,744,000 acres, an increase of 1.4 million acres or 11.4 per cent. on that of the previous year. It is, however, 500,000 acres or 3.5 per cent. less than the average area sown for the previous ten seasons.

The improvement in the price of wheat and the prospect of it being sustained may induce farmers to increase their area with late sowings. It is possible, therefore, that the estimated increase of 1.2 million acres should be regarded as a minimum figure.

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 the 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	3,056	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)	(c)	(d)	(e)	(f)	(g)	(g)	(g)
	4,516	2,700	350	3,182	2,969	25	2	13,744

PRODUCT 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)	54,337	42,845	2,250	28,715	21,291	504	26	150,468
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(e)	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.

With the exception of South Australia, weather conditions throughout the wheat areas of Australia were generally unsatisfactory during July, due to the marked rainfall deficit. Crops appeared to be holding their own under these dry conditions but the situation was becoming critical. The position was relieved by timely rains which fell during the first half of August throughout the principal wheat areas of Australia and at the end of that month, seasonal prospects were eminently satisfactory.

The widespread rains of August entirely dispelled the critical condition of the crop in New South Wales which existed at the end of July. The condition of the crop is now very favourable and the seasonal outlook is bright. Similar conditions apply in Victoria. The excellent rains received during August were of considerable benefit and the outlook is equally favourable.

Seasonal conditions in South Australia have been very favourable right from the commencement of the year and the August rains have helped to consolidate the promise of a good season.

In Western Australia the July rains were considerably below normal. The crops were withstanding the dry conditions fairly satisfactorily, however, but rains were urgently needed. These fell towards the end of August and the prospects at the end of that month are distinctly more favourable than at the end of July.

Seasonal conditions in Queensland have been unsatisfactory. The rainfall since March has been sufficient to sustain the crop but insufficient to provide the necessary reserve in sub-soil moisture to carry it through the approaching warmer weather. Excellent rains fell in the wheat areas at the end of August, however, and the prospects of a favourable season are now promising. The crops in Tasmania are in a backward condition but the recent rains should improve the outlook generally.

3. WHEAT PRICES.

The improvement in the price of wheat recorded in July last was not sustained in August. Prices fell from 64.44d. per bushel to 60.35d. per bushel. The chief factors contributing to this decline are stated to be the increased visible supply due to improved harvest prospects in the United States of America and some European countries, a poor consuming demand by importing countries and improved prospects in Australia. Fluctuations in prices are not uncommon at this period of the year as they are susceptible to greater movement according to the favourableness or otherwise of the crops in the Northern Hemisphere. With the completion of harvest operations by the end of August, it is expected that the total available supplies will then be determined more accurately. The following table shows the course of wheat prices in Australia, by months, for each of the years indicated.

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	36.81	55.22	(a)60.35
September	39.56	35.41	36.06	40.30	55.64	
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	37.84	49.67	

(a) Price on 31st August, 1937 = 58.76d.

4. OVERSEA FREIGHT RATES.

In the following table are shown the monthly details of 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	
September	22.6	26.3	25.0	32.6	
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 38.3
May	(a)	(a)	(a)	(a)	to 44.6 47.0
June	22.6	24.0	23.0	25.6	to 53.6 49.0
July	(a)	(a)	(a)	(a)	to 53.6 41.3
September	23.6	27.6	27.6	29.3	
December	26.3	25.6	24.0	32.0 to 45.6	

(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 July, together with the total exports for the eight 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.

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, the months of June, 1936 and 1937, and also during the six months ended June for the same years.

Imports of Wheat into the United Kingdom during the month of June, 1937, amounted to 15.1 million bushels which represented a decrease of 21 per cent. on the 19.3 million bushels imported during the corresponding month of last year. Canada and Australia were the principal contributors in both these months but their supplies for June of the current year showed decreases on those for June, 1936, of 4.4 million bushels or 34 per cent. in the case of Canada and 0.4 million bushels or 9 per cent. for Australia. Imports during the first six months of 1937 totalled 89.4 million bushels which was 4.0 million bushels or 4 per cent. less than the total imports for the corresponding period of last year. This decline has been due to reductions of 17.3 million bushels and 7.4 million bushels in the supplies from Canada and Australia respectively, which have been only partly offset by an increase of 27.3 million bushels in the contributions of the Argentine Republic.

Imports of Flour into the United Kingdom during the first six months of the current year amounted to 254,000 tons which was only 2 per cent. or 6,000 tons greater than for the same period of last year. Canada and Australia together supplied 84 per cent. of the total imports during this period, as compared with 74 per cent. in the six months of 1936. Imports from Canada were about the same volume as in the previous year, but those from Australia were 40 per cent. greater than in the corresponding period of last year.

The aggregate imports of wheat and flour into the United Kingdom, in terms of wheat, amounted to 101.6 million bushels during the six months ended June, 1937, being 3 per cent. less than the imports of 105.2 million bushels in the same period in 1936.

WHEAT AND FLOUR IMPORTED INTO THE UNITED KINGDOM

Country from which imported	Year 1936	6 months ended June		Month of June	
		1936	1937	1936	1937
	bushels	bushels	bushels	bushels	bushels
Australia ..	43,445,177	27,765,652	20,327,265	4,877,285	4,429,175
Canada ..	107,971,708	50,676,160	33,342,341	12,580,512	8,197,793
India ..	6,082,333	13,067	2,045,456	13,067	124,234
Other British Countries	83,951	82	663,501	39	402,821
Argentine Republic	1,786,324	1,200,821	28,498,558	245,499	747,391
France ..	(b)	7,059,835	34,453	1,015,547	-
Germany ..	-	-	264,583	-	157,808
Roumania ..	8,248,268	582,352	879,756	-	330,439
Soviet Union ..	312,305	312,305	-	-	-
United States of America ..	84,756	-	19	-	19
Other Foreign Countries	20,162,753	5,721,771	3,310,754	553,986	716,573
TOTAL:	188,177,575	93,332,045	89,366,686	19,285,935	15,106,253
FLOUR - IN TONS OF 2,400 lb.					
	tons	tons	tons	tons	tons
Australia ..	138,298	72,778	101,549	11,423	18,112
Canada ..	229,831	111,683	111,463	20,974	20,548
Other British Countries	222	422	1,333	2	331
Argentine Republic	15,254	6,009	12,048	933	2,345
France ..	40,914	25,615	18,621	2,170	938
United States of America ..	4,345	1,940	2,063	267	514
Other Foreign Countries	39,672	29,934	6,991	4,091	1,014
TOTAL:	468,536	248,181	254,068	39,860	43,802
TOTAL -	bushels	bushels	bushels	bushels	bushels
In terms of Wheat (a)	22,469,728	11,912,688	12,195,264	1,913,280	2,102,496
GRAND TOTAL -					
Imports of Wheat & Flour in terms of Wheat (a)	210,667,303	105,244,733	101,561,950	21,199,215	17,208,749

(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	150,468,000
Total supply in sight, 30th November ..	bush.	195,872,015	173,496,695	160,891,636	158,737,417
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	102,737,417
Less Exports, 1st December to 31st July ..	bush.	60,358,009	75,219,886	73,857,464	76,293,783
Estimated Exportable Sur- plus at 1st August	bush.	80,626,006	43,666,809	32,034,172	24,443,634

Complete details of the disposition of the above stocks are not available. Particulars of the quantities stacked at country sidings and terminal ports are compiled by the Railways Departments, and were as follows on the dates shown:- New South Wales (21st August), 4,414,000 bushels; Victoria (25th August), 8,726,000 bushels; South Australia (31st July), 2,659,000 bushels; Western Australia (14th August), 1,894,000 bushels.

9. INTERNATIONAL REVIEW.

The harvesting of the wheat crops in the Northern Hemisphere is nearing completion and sufficient information is now available to permit of a review of the quantities produced by the 1937 crops. Estimates which have already been released indicate that, in the majority of European countries, the harvest results are better than was first anticipated. Germany is the chief exception. Italy has had an abundant crop, and a yield of 295 million bushels is anticipated. Such an amount will be sufficient for her own requirements, so that imports, if any, will not be very great. On account of the low crop in the previous year (238 million bushels) Italy was a large importer of wheat in 1936-37. The quantity imported during the nine months ended April last amounted to more than 32 million bushels, compared with less than 1 million bushels for the same period of the previous year.

The crops of the Soviet Union are expected to return better than average yields, and the reported appearance of samples on the market has been accepted as an indication of surplus supplies. It is possible, therefore, that the Soviet will enter the export market during the coming year. Prior to 1914 Russia was the greatest wheat exporting country of the world, but exports during the post war years have been of no great consequence.

Unofficial forecasts of the harvest in France indicate a yield of about 250 million bushels, compared with a crop of 253 million bushels in 1936. The production of Spain amounted to 121.5 million bushels in 1936 but no details of the 1937 crop have yet been reported. The exportable surplus of the countries bordering the Danube has been estimated at 73 million bushels for the year 1937-38, which is little different from the export surplus realised in 1936-37.

German production is expected to be about 150 million bushels, compared with 163 million in 1936. No official estimate has yet been issued, but all reports indicate that crop losses have occurred. During the years prior to 1932-33 Germany was a large importer of wheat. During the two five-year periods ended 1925-26 and 1930-31 the quantities imported averaged 55 million bushels and 67 million bushels respectively. These amounts may be compared with the 7 million bushel average for the five years ended 1935-36. This diminution in imports coincides with increased production following upon government measures introduced in January, 1933, to assist agricultural industries. The introduction of a second Four Year plan in 1937 also provides for an increase in the output per acre cultivated.

Particulars of the production and trade in wheat and flour in terms of wheat, are shown in the following table for the principal European Countries for the years stated, quantities being in 1,000 bushels -

PRODUCTION AND TRADE IN WHEAT - PRINCIPAL EUROPEAN COUNTRIES

Country	Production			Net Trade		August-July 1936-37 (b)
				(+)	(-)	
	1935	1936	1937(a)	Imports 1934-35	Exports 1935-36	
United Kingdom, including Irish Free State	72,084	63,100	(65,000)	+216,334	+219,484	+159,010
Austria ..	15,510	13,514	(10,000)	+ 9,719	+ 6,978	+ 6,578
Belgium ..	16,101	16,153	16,000	+ 39,736	+ 38,976	+ 30,935
Bulgaria ..	47,925	59,304	64,000	- 372	- 1,138	- 5,710
Czechoslovakia	62,097	55,582	51,000	+ 1,445	+ 2,204	- 5,740
France ..	284,955	253,454	(250,000)	- 17,511	+ 8,079	+ 5,990
Germany ..	171,490	162,661	(150,000)	+ 10,144	- 218	+ 3,615
Greece ..	27,179	23,450	34,600	+ 14,542	+ 14,716	+ 16,368
Hungary ..	84,224	86,745	69,700	- 12,671	- 17,105	- 13,151
Italy ..	282,761	224,585	294,000	+ 12,129	+ 5,735	+ 32,213
Netherlands ..	16,652	16,259	15,000	+ 19,306	+ 21,602	+ 16,468
Poland ..	73,884	78,360	71,000	- 13,773	- 6,747	- 5,053
Roumania ..	96,441	128,717	136,000	+ 4,222	- 5,868	- 24,235
Spain ..	157,987	121,493	(c)	- 1,100	+ 300	-
Yugoslavia ..	73,102	107,424	80,000	- 4,254	- 777	- 14,830
Total Europe, excluding U.S.S.R.	1,576,000	1,481,000	1,510,000	+326,803	+314,247	+222,065
U. S. S. R. ..	1,132,801	(c)	(c)	- 1,899	- 28,476	- 28,480

(a) Preliminary. Subject to revision. (b) Nine months ended April, 1937. (c) Not yet available. (d) June estimate of the International Institute of Agriculture.

According to a forecast issued by the Department of Agriculture on 1st August, the production of the United States of America is expected to yield 890 million bushels. Compared with the production of 1935 and 1936 which amounted to 626 million bushels in both years, this represents an increase of 264 million bushels or 42 per cent. Since 1920 this quantity has been exceeded only on two occasions, in 1928 when 913 million bushels were harvested, and in 1931 when production reached 932 million bushels. In 1930 production equalled that now forecasted, viz. 890 million

bushels. The quantity of wheat required for home consumption is estimated at 700 million bushels. On this basis the surplus available for export or addition to stocks will be 190 million bushels

The first official estimate of production in Canada is expected to be released on 10th September. Unofficial forecasts, however, indicate a harvest of 180 to 200 million bushels, compared with 229 million bushels in 1936. The Canadian crops have sustained serious damage by drought which has been confirmed by the Dominion Statistician in his cabled advice of 9th August. Compared with 100 as equaling the average condition over a long period of years, the condition of the crop on that date was stated to be 35. This shows a further deterioration since the 9th July, when the condition was given as 52. Stocks of wheat held in the Dominion on 31st July last are officially estimated at 32.7 million bushels omitting 4.1 million bushels of Canadian wheat stored in the United States. Stocks held on the corresponding date in 1936 were 108.8 million bushels and 203.2 million bushels on 31st July, 1935.

Of the other producing countries in the Northern Hemisphere, China is of chief importance as regards quantity. The statistics of production, however, are not as complete as might be desired, nor do they cover all of the provinces forming the Republic. Under these circumstances the Chinese statistics of production must be accepted only as rough approximations. The production of winter wheat in 17 provinces of China for 1937 is officially announced at 642 million bushels, compared with 848 million bushels for the previous year, a decline of 24 per cent.

The production of India, the next important country, in 1937 is finally estimated at 366 million bushels. This is slightly in excess of the crop obtained in 1936 and 1935, when 352 and 363 million bushels, respectively, were harvested. The production of Japan has been announced at 49.2 million bushels.

The production of the wheat producing countries of North Africa is estimated at 107.8 million bushels. These countries include Algeria, Egypt, Morocco and Tunis.

The following table summarises the production of the Northern Hemisphere in major land divisions for 1937, and gives corresponding figures for previous years.

PRODUCTION OF WHEAT IN NORTHERN HEMISPHERE

(In millions of bushels)

Particulars	1933	1934	1935	1936	1937
Europe, excluding U.S.S.R. ..	1,745	1,550	1,576	1,481	1,510
North America ..	849	818	923	868	1,090
North Africa ..	110	134	113	96	108
Asia, excluding China (a) ..	422	431	452	435	445
TOTALs	3,126	2,933	3,064	2,880	3,153

(a) The production of Manchukuo, Turkey, Iran and Iraq is also omitted.

On the basis of the above table it is apparent that the available supply for the year 1937-38 is somewhat in excess of that recorded in each of the four previous years. A contraction in the import demand might therefore be expected. The only available estimate on this point is one issued by the Corn Trade News. According to this authority, importers requirements are expected to reach 496 million bushels for the year 1937-38, compared with 584 million bushels actually imported in 1936-37. This is a reduction of 88 million bushels or 15 per cent. An important point which must not be overlooked, however, is that the world exportable surplus (including surplus stocks) has now been reduced to a minimum. The year 1937-38 will be the first during the past decade which has been free from an excess of accumulations carried forward from previous years. Drought conditions still persist in the Argentine Republic, and reports have indicated that these have seriously interfered with seeding operations. In some parts the condition of the crop is stated to be good, but in the Cordoba province, the principal producing region, the effect of the dry weather has caused a reduction in the area sown. Cabled advice indicates that rains received during August were insufficient for crop needs.