

THE Wheat

SITUATION

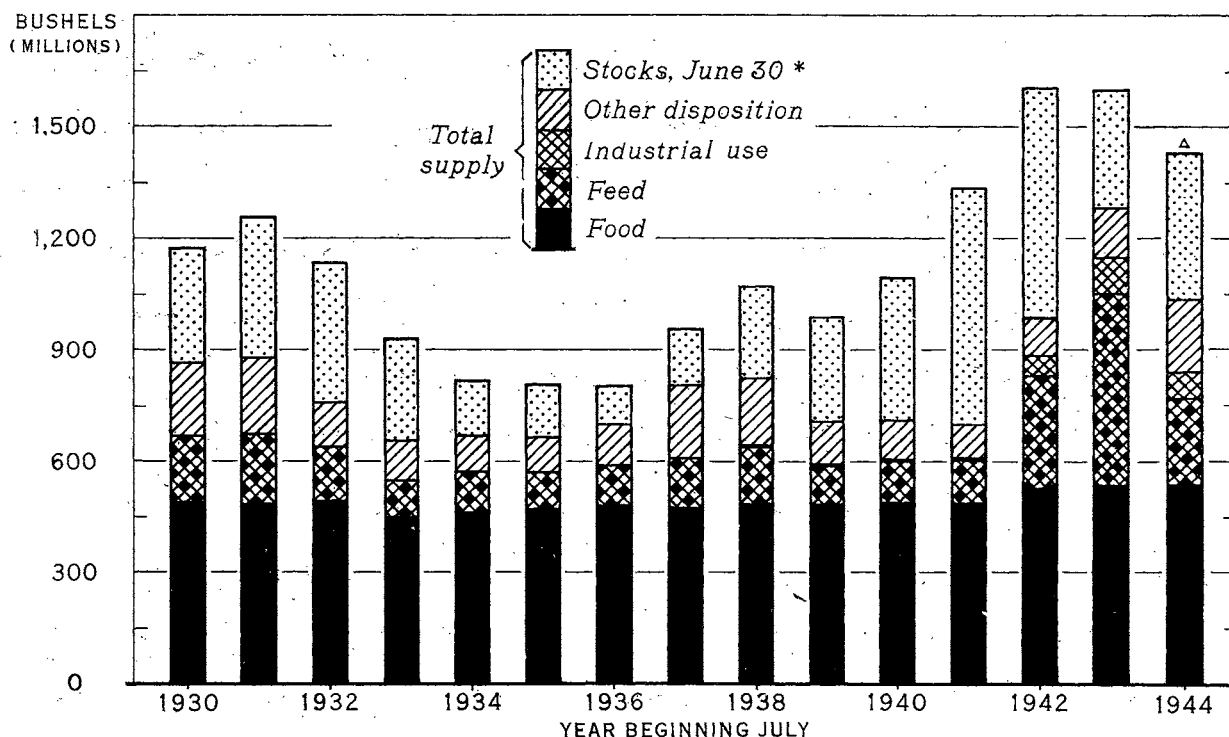
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

WS - 85



NOVEMBER - DECEMBER 1944

WHEAT: DISTRIBUTION OF U. S. SUPPLY, 1930-44



* 1930-37 INCLUDES SOME NEW WHEAT

△ PRELIMINARY ESTIMATES

U. S. DEPARTMENT OF AGRICULTURE

NEG. 42548 BUREAU OF AGRICULTURAL ECONOMICS

The total prospective supply of wheat for the 1944-45 year is somewhat below that of the past two years but still large enough to increase the carry-over by about 100 million bushels after meeting the large prospective disappearance. The carry-over, now estimated at 400 million bushels, would be considerably above the 10-year pre-war average of 235 million but only about two-thirds of the 632 million bushels held on July 1, 1942. A sharp reduction in quantities for feed and industrial alcohol in 1944-45 more than offsets prospects of increased exports, so that total disappearance will be below the record disappearance in 1943-44.

T H E W H E A T S I T U A T I O N
Including Rye

SUMMARY

The carry-over of wheat July 1, 1945, is now expected to total about 400 million bushels, or about 100 million bushels above stocks of last July. Supplies in 1944-45, including stocks July 1, the crop and probable imports, are now indicated at about 1,429 million bushels. As a result of the large corn and sorghum crops, the quantity of wheat used for feed and alcohol will be below last year. If sufficient shipping space becomes available, exports of wheat including flour are expected to exceed 100 million bushels. The quantity for food and seed is estimated at 535 million and 80 million bushels respectively. Thus, on the basis of present prospects, disappearance in 1944-45 is expected to total about 1,030 million bushels.

The indicated 1945 winter wheat production of 762 million bushels, is based on the estimated acreage and the relationship of such factors as December 1 reported condition and weather through November with seeded yields in past years. A combination of unfavorable circumstances, however, could result in a winter wheat crop much smaller than this, just as favorable conditions greatly increased prospects for the 1944 crop. It will be remembered that a year ago the 1944 winter wheat crop was indicated at 527 million bushels compared with the near record 764 million-bushel production finally harvested. If conditions continue favorable for winter wheat and a crop about as indicated is produced, it would require only about average yields on the acreage of spring wheat which may be seeded to result in another billion-bushel total crop. Such a crop would probably increase the size of our carry-over at the end of the 1945-46 marketing year by at least 100 million bushels.

A program to facilitate the exportation of wheat and wheat flour was announced on November 11 by the War Food Administration. This was in accordance with provisions contained in the Surplus Property Act of 1944. The primary purpose of the program is to make United States wheat and flour available to foreign buyers on a price basis comparable with that at which other exporting countries are making these products available in world markets.

Wheat prices have advanced slightly during the past 2 months. This may be attributed to demand, especially for high protein hard wheats, and to the increase in ceiling prices which permitted an advance in prices of high protein hard wheats, as well as of soft wheat, which were pressing on the old ceiling level.

The 1944 wheat crop in 45 countries, representing about 97 percent of total world production excluding the U.S.S.R. and China, is now estimated at 3,850 million bushels, or about 3 percent more than in 1943. Increases in Canada and the U. S. more than offset decreases in Europe, Asia, and Southern Hemisphere countries. The 1944 crop in Canada is now placed at 453 million bushels, which is above average and greatly exceeds the small crop of 284 million bushels in 1943. European production, based largely on unofficial reports, is estimated at about 1,460 million bushels, which is below the crop last year and below the pre-war average for the fifth consecutive year. The first official estimate for Argentina is placed at 167 million bushels, which is also considerably below average and below last year. As the result of widespread drought, the crop in Australia is estimated at only about 50 million bushels, which would be the smallest crop since 1919. With increased domestic requirements, particularly for feed purposes, a crop of this size would necessitate considerable reduction in that country's carry-over stocks, leaving little for export in 1945.

July 1, 1945 stocks in the four principal exporting countries -- Argentina, Australia, Canada, and the United States -- may total about 1,050 million bushels. While this is a reduction of more than 100 million bushels from the 1,167 million bushels last July 1, it is still more than double the 1935-39 average of 467 million bushels and more than ample to meet all foreseeable needs.

The estimate of the 1944 U. S. rye crop has been revised downward 1.7 million bushels to 25.9 million bushels. A crop of this size together with the carry-over and imports indicates a supply of about 61 million bushels. It appears that the disappearance will be somewhat below the 55 million bushels in 1943-44 largely as a result of reduced feeding. Use of wheat for alcohol and spirits is expected to be above last year, while food use at about 11 million bushels may remain about unchanged. On the basis of present indicated disappearance, stocks July 1, 1945 may ~~total~~ about 15 to 17 million bushels compared with 31 million in 1944.

-- December 30, 1944

THE DOMESTIC WHEAT SITUATION

BACKGROUND. -- In the 10-year prewar period 1932-41, the annual carry-over of old wheat in the United States averaged about 235 million bushels, production averaged 738 million, and domestic disappearance 677 million, of which 479 million were food, 117 million were feed, and 81 million were seed.

Wheat prices have generally advanced since 1938. The weighted average price to growers in each year from 1939-40 to 1943-44 were as follows, in cents per bushel: 69, 68, 94-1/2, 110, and 133. In 1943-44 the extra demand for wheat resulting from the war became a more important price factor than the loan program, which had been the important factor prior to that time. Prices advanced approximately to parity at the end of December and on January 4, 1944, ceilings were placed on wheat prices.

Carry-over July 1, 1945, May Reach
400 Million Bushels; Large Corn
Crop Reduces Wheat For Feed and
Alcohol

The carry-over July 1, 1945, may amount to about 400 million bushels, based on present estimates of disappearance (table 2). The large corn and sorghum crops are expected to reduce the quantity of wheat for feed to about 230 million bushels and the quantity for alcohol to about 70 million bushels. In the 10 years before the war, wheat for feed averaged 117 million bushels but in 1943-44 about 500 million bushels were used to supplement the relatively short feed grain supplies. The use of wheat for alcohol before the war was negligible; in 1943-44 it amounted to 108 million bushels. The quantity of wheat which will be exported in 1944-45 continues to be highly uncertain. If sufficient shipping space becomes available, exports of wheat including flour in terms of wheat probably would exceed 100 million bushels. Food for both civilians and military forces is expected to take about 535 million bushels -- about the same as the revised figure for 1943-44 -- and seed about 80 million bushels. On the basis of these estimates, total 1944-45 disappearance may amount to about 1.03 billion bushels. Supplies in 1944-45 consist of a carry-in July 1, 1944 of 315 million bushels, a crop of 1,079 million and probable imports (excluding wheat for milling in bond) of about 35 million bushels, which total 1,429 million bushels (table 2).

Estimate of 1944 Production Lowered,
but Still an All-Time High

The revised estimate of the 1944 wheat crop at 1,079 million bushels is about 30 million bushels below the October preliminary figure, but still 70 million bushels above the previous record crop produced in 1915. The 65.7 million acres seeded this year is a sharp increase over last year, but 3 percent below the 1933-42 average. The yield of 16.4 bushels per seeded acre was second largest in U. S. wheat history.

Winter wheat rallied from generally low fall and winter prospects and ended the season with near records both in production of 764 million bushels and in yields of 16.5 bushels per seeded acre, which is 1.8 bushels short of the record yield of 18.3 bushels per acre in 1942. Winter wheat was seeded in the fall of 1943 in most of the southwestern winter wheat States, under adverse moisture conditions. Seeding was either in dry ground or delayed to a late date. Nevertheless, the largest increase from 1943 in wheat acreage seeded was in winter wheat, which increased 22.7 percent, whereas spring wheat acreage seeded increased 11.5 percent. The desired rains came late in the fall season, which permitted belated completion of seeding and benefited the early plantings. In most of the southern Great Plains wheat area, fall rains were insufficient and wheat there entered the winter in below-average condition.

Winter precipitation was beneficial to the wheat which germinated in the fall and the resulting improvement in prospects became progressively more favorable as the season advanced, excepting in Nebraska, where the adverse conditions continued, resulting in a yield below average. In the Plains States, excepting Nebraska, the season ended with yields per acre much above

average on the harvested acreage. However, abandonment from Kansas northward was comparatively heavy, owing to the poor start in the fall, rain damage during harvest, and rust in some sections. The abundant harvest in the Southwest created a storage, transportation, and labor problem which was met partly by temporarily piling wheat on the ground. In the Pacific Northwest, spring rains enable winter wheat to overcome the handicap of extreme dryness which had caused a slow start and concern through the winter months.

Spring wheat also had a relatively favorable year, with the production of 315 million bushels, a little above last year and 66 percent above the 10-year average. However, there were 5 years of larger crops in the two decades before 1930. The relatively large spring crop is due to the large acreage -- 19.3 million acres seeded of which 18.6 million acres were harvested -- the largest acreage since 1938. The yield of 16.3 bushels per seeded acre is 1.5 lower than last year and 3.3 bushels under the record 1942 yield. The moisture situation in the spring favored planting the intended acreage and promoted good growth. Adversely, excessive rains at harvest delayed combining and the threshing of shocked grain, resulting in some acreage loss and reduced yields.

Durum wheat production (3 States) at 31.9 million bushels fell off considerably from the large crops of the 2 preceding years. This was due to a lower yield per seeded acre this year of 14.8 bushels, 1.7 bushels under last year and 5.9 bushels below the record 1942 yield. This year's 2.2 million acres seeded is about the same as in the past two years, but only about 76 percent of the 10-year average. Wet weather caused the most damage in sections of the States where durum wheat acreage is heaviest. Other spring wheat, with 17.2 million bushels seeded and abandonment light, was the big factor in holding the all spring wheat crop at a high level. This is the largest other spring wheat crop on record. The yield of 16.5 bushels per seeded acre was exceeded in each of the past 2 years, but they were years of smaller acreage.

Acreage, yield, and production for the past 2 years are shown in table 3 and production by classes, also for the 2 years in table 4.

Another Larger Crop Now in Prospect

The indicated 1945 winter wheat production is 762 million bushels, based on the estimated acreage and the relationship of such factors as December 1 reported condition and weather through November with seeded yields in past years. A combination of unfavorable circumstances, however, could result in a winter wheat crop much smaller than this, just as favorable conditions greatly increased prospects for the 1944 crop. It will be remembered that just a year ago the 1944 winter wheat crop was indicated at 527 million bushels, which compares with the near record 764 million-bushel production finally harvested.^{1/} If conditions continue favorable for winter wheat and al

^{1/} In table 8 the differences between the December indications since 1933, when they were first released, and the final estimates are shown. In the 12 years, growing conditions in the season after December 1 have been mostly above normal with the final production figure averaging about 50 million bushels higher than the early indication. If data covering a long period were available so that a greater number of years of below normal growing conditions were included, the average difference between the December indications and the final estimates would be expected to be small.

crop about as indicated is produced, it would require only average yields on the spring wheat acreage which may be seeded to result in another billion-bushel total harvest. Such crop would probably increase the size of our carry-over at the end of the 1945-46 marketing year by at least 100 million bushels.

The War Food Administration in November recommended to the State goals committees that the 1945 spring wheat acreage be reduced one million acres. This action followed the decision to increase the flaxseed acreage, and the recognition that the 1944 wheat crop improved greatly following the early announcement of the wheat goal last June, resulting in a much larger carry-over last July than was expected earlier. Moreover, in November the 1945 wheat prospects also were excellent. With this reduction, the State wheat acreage goals for 1945 would be 67.6 million acres, which would still be an increase of 900 thousand acres compared with the seedings for the 1944 crop. Winter wheat seedings as now reported actually exceed those of a year ago by 7 percent. No separate goals were made for winter and spring wheat. However, if it is assumed that the spring wheat acreage approximates the acreage seeded in 1944 and yields should amount to 13.8 bushels, the 1938-42 average, a crop of approximately 250 million bushels would be produced.

Wheat Export Program Announced

A program to facilitate the exportation of wheat and wheat flour was announced on November 11 by the War Food Administration. This was in accordance with provisions contained in the Surplus Property Act of 1944. The primary purpose of the Program is to make United States wheat and flour available to foreign buyers on a price basis comparable with that at which other exporting countries are making these products available in world markets. In announcing the program, the Administration also voiced assurance to other exporting countries that the United States "has no intention of precipitating mutually injurious price competition." During the war, wheat exports have been negligible, principally because of our large needs in the production of industrial alcohol for the manufacture of synthetic rubber and explosives, and in the feeding of livestock to satisfy military, lend-lease, and civilian requirements.

Under the program, the procedure, in general, is that the Commodity Credit Corporation will announce the prices, or the basis for determining the prices, at which it will sell wheat for export. Upon acceptance of the Commodity Credit Corporation's offer to sell wheat for export, the Corporation will (1) supply the wheat at the designated export price, or (2) authorize the exporter to purchase the wheat in the domestic market at the domestic price and then receive from the Corporation the announced differential between domestic prices and the announced export price. The differential offered to exporters initially on November 15 was as follows: By water from Atlantic and Gulf ports, 34 cents; from Pacific Coast ports, 29 cents; and by rail to Mexico 6 cents. These differentials have all continued in effect, except that the rate from Pacific Coast ports was increased 1 cent for the brief period November 28 to December 4.

Wheat Price Ceilings Raised; Prices Advance

Wheat prices are slightly higher than in late October when the last issue of The Wheat Situation was issued, and also than a month ago. The increase may be attributed to demand, especially for high protein hard wheats, and to the increase in ceiling prices which permitted an advance in price for high protein hard wheats as well as soft winter wheats, which were pressing on the old ceiling level. Effective December 13 all wheat price ceilings ^{2/} were raised 4 cents, which now permits prices to reach full parity. The price of red winter at St. Louis and high protein wheats at Kansas City and Minneapolis are currently at or close to the new ceiling levels. However, lower protein hard winter wheat and white wheat in the Pacific Northwest are about 5 cents under ceilings while low protein hard spring wheat at Minneapolis is about 10 cents under ceilings. The price of the latter declined, following the close of navigation and the discontinuance of purchases of wheat for feed by the Commodity Credit Corporation. The U. S. average price for wheat received by growers at \$1.45 in mid-December was 2 cents higher than a month earlier and also a year earlier, and was 96 percent of parity. The quantity of 1944-crop wheat remaining under loan December 16 totaled ~~10~~ million bushels, which compares with 111 million bushels for the same date a year earlier, and 374 million bushels two years earlier. The relatively high level of prices, since the announcement on September 24 of the offer of the CCC (September 24) to purchase unredeemed 1944-crop wheat still under loan May 1, has greatly reduced the quantity of wheat being placed under loan.

High protein wheats may be expected to continue at or near ceiling levels as a result of active demand for limited market supplies of this type of wheat. The price effect of any moderate increase in movement to market, accordingly, would be expected to be largely confined to the lower protein hard wheats, the supplies of which are relatively plentiful. An amendment to the flour subsidy regulations ^{3/} to become effective January 1 may be expected to result in increased demand for soft white wheat from mills east of the Rocky Mountains in view of the ceiling tightness of soft winter wheats. The amendment has established two subsidy rates to millers in the place of one previously in effect -- one for the Pacific Coast area and another for the balance of the United States ^{4/}. The increased demand for white wheat from the Pacific area would be expected to result from the fact that mills east of the Mountains will be privileged, under the amendment, to apply the Pacific Coast subsidy of their grind of wheat purchased from that producing region. Government purchases of flour have recently again become a market factor. As shipping space becomes increasingly available this factor should become more important.

^{2/} Statement and schedule of original ceilings in The Wheat Situation of March-April 1944, page 6.

^{3/} Payment of the difference between the market price of wheat and the wheat price equivalent of the flour ceiling.

^{4/} Rate effective January 1 is 23 cents per bushel for the East and 27 cents for wheat originating in the Pacific Coast area. This is an increase of 4 cents for the former and 8 cents for the latter.

THE WORLD WHEAT SITUATION

BACKGROUND.— Large world crops and restricted trade resulted in the largest world wheat supplies on record in 1938-43. The blockade and other war conditions reduced world exports of wheat and flour to 465 million bushels in 1940-41, about 410 million in 1941-42, about 365 million in 1942-43, and approximately 500 million in 1943-44, compared with 638 million in 1938-39 and 625 million in 1939-40. Net exports, including shipments, from the United States in 1940-41 were 34 million bushels; in 1941-42, 28 million; and in 1942-43, 33 million, compared with 109 million in 1938-39 and 45 million in 1939-40. In 1943-44 the need for additional wheat for feed resulted in net imports of 77 million bushels.

World Crop Slightly Smaller Than Year Ago;
Stocks in Exporting Countries July
Next May be Double the Pre-War
Average

With increases in production in Canada and the United States more than offsetting decreases in Europe, Asia, and Southern Hemisphere countries the 1944 wheat crop in 45 countries is estimated at about 3,850 million bushels or about 3 percent more than in 1943 (table 2). These 45 countries represent about 97 percent of total world production, excluding the U.S.S.R. and China.

Table 1.— Wheat production in specified countries, 1939-44 1/

Country	1939	1940	1941	1942	1943	1944
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
<u>Northern Hemisphere</u>						
United States	741	813	943	974	841	1,070
Canada	521	540	315	557	284	453
Mexico	16	17	16	17	16	14
Total 3 countries	1,278	1,370	1,274	1,548	1,141	1,546
Europe (30)	1,695	1,300	1,425	1,360	1,540	1,460
North Africa (4)	151	108	134	111	109	85
Asia (5) 2/	552	581	522	498	583	525
Total 39 countries	2,398	1,989	2,081	1,969	2,232	2,070
Total 42 countries	3,676	3,359	3,355	3,517	3,373	3,616
<u>Southern Hemisphere</u>						
Argentina	131	299	238	235	250	167
Australia	210	82	167	156	108	50
Union of South Africa	15	16	14	20	18	15
Total 3 countries	356	397	419	411	376	232
Total 45 countries 3/ ..	4,032	3,756	3,774	3,928	3,749	3,848

1/ Data are, in many instances, unofficial forecasts and should be interpreted as indications only.

2/ Includes India, Turkey, Syria, Lebanon, and Palestine.

3/ Represents about 97 percent of total world production excluding the U.S.S.R. and China.

The 1944 wheat crop in Canada is now placed at 453 million bushels, which is above average and greatly exceeds the small crop of 284 million bushels (revised estimate) produced in 1943. The good crop is due to both increased acreage and above average yields. With a crop of 1,079 million bushels estimated for the United States and about 14 million bushels for Mexico, the total for the three North American countries is 1,546 million bushels, which compares with 1,145 million bushels a year earlier.

European production, based largely on unofficial reports, is estimated at about 1,460 million bushels, which is below the crop last year and below the pre-war average for the fifth consecutive year. Shortages of fertilizer and labor, and also weather conditions, have limited yields in many cases. War operations also affected the outturn in some areas. Rains during the harvesting season in northern and western Europe affected quality and, to some extent, quantity. Good wheat yields are reported for the U.S.S.R.

The first official estimate for Argentina is placed at 167 million bushels, which is considerably below last year and below average. Trade opinion, however, places the crop at a somewhat higher figure. The acreage is reported at 15.4 million acres compared with 16.9 million a year earlier. The crop in Australia, as the result of widespread drought, will total only about 50 million bushels, which is about half of the 108 million produced in 1943, and the smallest crop since 1919. With increased domestic requirements, particularly for feed purposes, a crop of this size would necessitate a considerable reduction in the country's carry-over stocks, leaving little for export in 1945.

July 1, 1945, stocks in four principal exporting countries -- Argentina, Australia, Canada, and the United States -- may total about 1,050 million bushels. While this is a reduction of more than 100 million bushels from the 1,167 million bushels last July 1, it is still more than double the 1935-39 average of 457 million bushels and more than ample to meet all foreseeable needs.

Heavy fall rains over much of Europe including the United Kingdom are believed to have reduced the acreage seeded to winter wheat to below that of last year. Undoubtedly considerable effort will be made to increase the acreage of spring wheat. Extensive efforts are being made to expand the wheat acreage in India, and some increase is believed possible.

High Prices Favor Maintaining of Canadian Acreage.

Although Announced Objective is for Reduction

In its statement of objectives for 1945 Canada suggests a smaller acreage to be seeded to wheat and rye, and a larger area in feed grains, compared with 1944. As a result of continued active demand and profitable returns, however, it is expected that the actual seedings will exceed the objective. In 1944 little change was suggested in wheat acreage, but the acreage actually seeded was increased 6.5 million acres, or 13.8 percent. Important factors in this increase were abandonment in 1944 of payments to shift to feed grains and the removal of delivery quotas as well as favorable prices.

The proposed reductions in wheat acreage amount to 1,784,000 acres, or 8 percent, for wheat, and 148,000 acres which would be a 23-percent reduction for rye, compared with the 1944 acreage. Under the announced goals, an area almost equal to the acreage shifted from bread grains would be added to the area seeded to oats. The increases called for in oats and barley together, however, amount to some 500,000 acres more than the decrease in wheat and rye. The expansion in the total grain area, it was noted, could be achieved without affecting the area in other important crops or summer-fallow, if the upward trend in total cultivated land is maintained in 1945.

The area sown to winter wheat in Canada in the fall of 1944 is estimated at 682,000 acres, which is a 5 percent decrease, compared with the area sown in 1943. The condition of the sowings at the beginning of November was reported at 101 percent of the long-time average yield per acre, compared with 84 percent on that date in 1943. Winter rye seedings are reported at 366,000 acres, a decline of 18 percent compared with the sowings a year ago. The condition of the 1944 seedings was placed at 89 percent of the long-time average compared with 78 percent a year earlier.

Table 1a.—Percentage monthly sales of wheat by farmers, United States, average 1932-41, annual 1933-43

		Percentage of total sales during												
Season begin-	ning June	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
		Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent
Wheat														
Average														
1932-33														
to														
1941-42		6.8	24.8	17.0	11.4	7.0	4.5	4.6	3.8	3.9	4.3	4.8	4.1	3.0
1933		9.3	21.9	19.8	13.3	7.0	5.0	3.7	3.7	3.4	3.5	2.7	3.1	3.6
1934		11.9	30.4	15.3	9.4	5.2	4.2	4.4	2.9	3.5	2.9	4.4	3.5	2.0
1935		2.5	19.2	25.8	17.7	9.7	4.5	3.8	3.7	2.5	3.4	2.6	2.2	2.4
1936		5.8	35.4	15.8	8.7	6.8	4.3	5.6	3.1	3.4	3.8	2.7	2.9	1.7
1937		9.1	30.2	16.3	10.4	6.0	3.8	4.0	3.8	3.9	3.3	3.9	3.3	2.0
1938		5.8	24.9	17.2	11.6	7.8	4.7	4.7	3.6	3.2	3.7	3.9	5.2	3.7
1939		7.6	23.0	13.4	9.0	5.7	4.1	5.2	3.5	6.6	7.9	10.5	2.4	1.1
1940		5.6	22.0	13.0	8.9	6.1	4.1	3.8	3.8	3.3	6.2	8.8	8.6	5.8
1941		5.0	21.9	14.4	11.4	7.4	5.2	6.1	6.2	6.1	5.1	4.0	4.1	3.1
1942		3.3	14.5	9.0	9.0	7.4	5.2	6.6	7.5	8.1	11.2	9.2	4.9	4.1
1943		3.9	16.8	10.8	8.5	6.7	7.2	8.2	10.2	8.0	5.9	5.5	4.8	3.5

Percentages for 1928-32 in The Wheat Situation December 1941, page 18.

Argentine Increases Minimum Wheat Price

The Argentine Government on December 1 announced the guaranteed minimum price to producers for new-crop wheat at 9 pesos per 100 kilograms (72 cents per bushel), which is based on sacked wheat delivered on cars at Buenos Aires. The new rate represents an increase of more than 10 percent over the support price of 8 pesos (65 cents per bushel) established for last year's crop. With the exception of the 1935-36 rate, it is the highest guaranteed price since the policy of basic prices as a farm relief measure was adopted in 1933.

Flour prices are to be maintained at their present level. Millers will be required to use 70 percent of old wheat in milling operations, and the old-crop grain will be supplied to mills by the regulating board at 8.60 pesos per 100 kilograms (about 69.7 cents per bushel).

CORRECTION.-- In table 3, in the September-October 1944 issue of The Wheat Situation the figures for 1923 should read across as follows: 132, 759, 891, 620, 134, and 137.

THE RYE SITUATIONEstimate For 1944 Revised Downward

The estimate of the 1944 rye crop has been revised downward 1.7 million bushels from the preliminary figure issued in August. The crop, now placed at 25.9 million bushels, is 15 percent less than last year's crop and 35 percent less than the 10-year (1933-42) average. With the exception of 1933, 1934, and 1935, this is the smallest crop on record since 1887. The crop was harvested from 2,254,000 acres with an average yield of 11.5 bushels per acre.

For the country as a whole there has been a substantial decrease in the harvested acreage -- this year's acreage being 18 percent less than in 1943, and 33 percent below the 10-year average. Generally speaking, acreages decreased sharply in the northern half of the country and made phenomenal increases in the southern half. The principal producing areas show the greatest acreage decline, with Minnesota 71 percent, North Dakota 73 percent and South Dakota 21 percent below average. The acreage in Nebraska, another important State, is the same as the 10-year average.

Yields per acre in Minnesota and Nebraska are 1.5 bushels less than last year and 1 bushel less in North Dakota, but in most of the other producing areas they are substantially above last year. For the country as a whole, yields averaged 0.2 bushel less than average and 0.4 bushel more than last year. Prospects earlier in the season were for yields about a bushel higher, but full realization was prevented by unfavorable weather at harvest time in the North Central States.

Rye Stocks Next July Expected to be Sharply Lower

The rye supply for 1944-45 is now placed at about 61 million bushels ^{5/} consisting of a carry-over last July of 31 million ^{6/}, a crop and imports of

^{5/} Data for 1934-43 published in The Wheat Situation for July 1944, page 13.

^{6/} July 1 commercial stocks, farm stocks, and inter-mill and elevator stocks.

around 30 million. It appears that the disappearance will be somewhat below the 55 million bushels in 1943-44 largely as a result of reduced feeding of rye, especially during the January-June period. Use of rye for alcohol and spirits is expected to be above last year while food use at about 11 million bushels may remain about unchanged. On the basis of present indicated disappearance, stocks July 1, 1945 may total about 15 to 17 million bushels compared with 31 million bushels in 1944.

Rye Acreage About Unchanged; Condition Higher

The acreage of rye sown for all purposes in the fall of 1944 is estimated to be 4,726,000 acres, about the same acreage as sown last fall, but 14 percent less than in the fall of 1942, 27 percent less than in the fall of 1941, and 24 percent less than the average acreage seeded during the 10-year 1932-41 period. The seeded acreage includes that intended for hay and pasture, soil improvement purposes, as well as rye to be harvested for grain, and an allowance for spring seeding in States growing spring rye.

The reported condition of rye on December 1 is 88 percent of normal, 12 points above the condition a year ago and 13 percent above the 10-year average. The relatively high current condition is above last year in nearly all States, and due primarily to favorable weather at seeding time and to good growing conditions.

Table 2.- Wheat: Estimated distribution in continental United States, 1930-44

(Data for cover page)							
Year begin- ning July	Disappearance				Total dis- appear- ance	Stocks June 30	Total supplies
	Food	Feed	Industrial use	Other			
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.			
1930	489.6	179.7	---	196.2	865.5	312.5	1,178.0
1931	482.8	190.2	---	205.7	878.7	375.3	1,254.0
1932	492.4	143.1	---	118.4	753.9	377.7	1,131.6
1933	448.4	102.6	---	106.2	657.2	272.9	930.1
1934	459.1	113.5	0.1	95.9	668.6	145.9	814.5
1935	474.5	99.0	0.1	94.7	668.3	140.4	808.7
1936	480.4	112.6	0.1	108.9	702.0	102.8	804.8
1937	477.3	129.8	---	197.5	804.6	153.1	957.7
1938	485.2	153.0	0.1	185.0	823.3	250.0	1,073.3
1939	482.4	108.1	0.1	121.2	711.8	279.7	991.5
1940	485.9	113.9	0.1	111.7	711.6	384.9	1,096.5
1941	489.5	114.2	2.2	93.7	699.6	632.1	1,331.7
1942	529.0	303.3	54.5	98.8	985.6	621.7	1,607.3
1943	534.0	503.4	108.4	138.1	1,283.9	314.8	1,598.7
1944							1/1,583.5

1/ Excluding imports which are expected to continue but at greatly reduced rate.

Table 3.- Wheat: Acreage, yield per acre, and production, average 1933-42, annual 1940-45 1/

Year of harvest	All wheat				
	Acreage		Yield per		
	Seeded	Harvested	Seeded but not harvested	seeded acre	Production
	1,000 acres	1,000 acres	1,000 acres	Bushels	1,000 bushels
1933-42 average	67,542	53,706	13,836	11.5	760,199
1940	61,610	52,988	8,622	13.2	813,305
1941	62,332	55,642	6,690	15.1	943,127
1942	52,227	49,200	3,027	18.7	974,176
1943	55,127	50,648	4,479	15.3	841,023
1944	65,684	59,309	6,375	16.4	1,078,647
Winter					
1933-42 average	47,459	38,163	9,296	12.2	570,675
1940	43,325	35,809	7,516	13.6	590,212
1941	45,671	39,485	6,186	14.7	670,709
1942	38,072	35,436	2,636	18.3	696,450
1943	37,782	33,975	3,807	14.1	531,481
1944	46,349	40,714	5,635	16.5	764,073
1945	49,589				761,591
Spring Wheat					
1933-42 average	20,083	15,544	4,539	10.0	189,524
1940	18,285	17,179	1,106	12.2	223,093
1941	16,661	16,157	504	16.4	272,418
1942	14,155	13,764	391	19.6	277,726
1943	17,345	16,673	672	17.8	309,542
1944	19,335	18,595	740	16.3	314,574

1/ Data for earlier years as follows: 1919-28 in The Wheat Situation August 1942, pages, 11-13; 1929-39 in The Wheat Situation, March-April 1943, page 10.

Table 4.- Wheat production by classes for the United States, average 1933-42, annual 1942-44 1/

Year	Winter		Spring		White	Total
	Hard	Soft	Hard	Durum	Winter and	
	Red	Red	Red		spring	
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	
Average						
1933-42	315,315	200,147	127,402	28,340	88,995	760,199
1942	476,488	159,821	214,906	45,491	77,470	974,176
1943	356,638	133,297	231,518	36,544	83,026	841,023
1944	472,995	224,983	244,608	32,823	103,238	1,078,647

1/ Data for earlier years as follows: 1919-28 in The Wheat Situation, February, 1939, page 22, 1929-41 in The Wheat Situation, January-February, 1943, page 10.

Table 5.- Wheat: Prices per bushel in four exporting countries, Friday nearest midmonth, Sept-Oct. 1944 and weekly Aug.-Oct. 1944

	Hard wheat		Hard and semi-hard wheat		Soft wheat	
	United States	Canada	United States	Argentina	United States	Australia
	No. 1 D.N. Sp. 15 oct. protein Buffalo c.i.f.	No. 1 Manitoba St. John f.o.b. 1/	No. 1 D. H. W. Galveston f.o.b. 2/	Rosafe f.o.b. 3/	No. 1 Portland f.o.b.	F.o.b. 4/
	Cents	Cents	Cents	Cents	Cents	Cents
Friday, midmonth						
Nov. 17 5/	185.2	128.0	169.5	103.0	152.5	110.5
Dec. 15	189.2	128.0	171.0	103.0	153.0	110.5
Week ended -						
Nov. 3	185.2	128.9	169.5	103.0	151.0	111.8
Nov. 10	185.2	128.0	170.0	103.0	151.0	111.8
Nov. 24	185.2	128.0	169.5	103.0	153.0	110.5
Dec. 1	185.2	128.0	170.0	103.0	152.5	110.5
Dec. 8	185.2	128.0	171.0	103.0	152.5	110.5
Dec. 22	189.2	128.0	171.5	103.0	153.5	110.5
Dec. 29	189.2	128.0		103.0	155.0	110.5

Current average farm prices are less than quotation about as follows: 1/ Canada 21 cents, 2/ United States 28 cents (series revised downward beginning January), 3/ Argentina 13 cents, and 4/ Australia 10 cents. 5/ Midmonth prices beginning January 1942, published in The Wheat Situation, September 1942 and subsequent issues.

Table 6.- Wheat; Weighted average cash price, specified markets and dates, 1943 and 1944

Month and date	All classes: No. 2 : No. 1 : No. 2 Hard : No. 2 : Soft											
	and grades: Hard Winter: Dk. N. Spring: Amber Durum: Red Winter: White											
	six markets: Kansas City: Minneapolis: Minneapolis: St. Louis: Portland 1/											
	: 1943: 1944: 1943: 1944: 1943: 1944: 1943: 1944: 1943: 1944: 1943: 1944											
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month:												
Oct.	149.1	156.3	152.3	161.3	149.1	161.1	150.6	167.6	175.9	169.5	138.2	150.0
Nov.	155.5	159.7	156.4	159.1	155.4	164.0	155.7	167.9	167.2	170.5	141.5	151.8
Week ended:												
Oct. 7	147.7	154.5	150.2	161.9	147.6	159.7	150.3	167.9	173.0	169.4	137.9	149.2
14	149.2	155.4	152.5	160.2	149.1	160.8	151.5	166.8	177.5	168.9	138.8	150.2
21	150.3	157.1	152.9	161.9	150.1	162.0	151.1	167.9	180.0	170.1	138.3	150.3
28	149.3	157.9	153.0	160.7	149.0	162.1	149.7	167.9	172.0	170.3	138.1	150.1
Nov. 4	152.4	158.8	155.3	160.3	152.9	162.3	153.0	167.9	167.4	169.2	139.8	150.8
11	153.8	159.8	155.4	159.3	153.9	164.5	154.3	167.9	---	169.9	140.0	151.0
18	156.7	160.7	156.7	159.1	156.9	164.7	157.2	167.9	---	170.9	142.5	151.9
25	158.3	160.9	158.0	159.2	158.8	164.7	157.5	167.7	165.0	170.7	142.9	152.7
Dec. 2	158.9	157.5	159.8	159.2	159.5	164.0	158.7	167.9	---	171.6	143.9	152.4
9	160.6	160.2	161.4	161.0	161.4	164.0	159.9	167.4	---	172.0	144.1	152.5
16	163.3	161.6	163.0	163.0	164.1	165.3	162.6	169.2	162.0	---	145.0	152.7
23	163.5	159.7	163.0	162.7	164.2	162.5	162.5	171.9	---	175.9	145.1	153.2

1/ Weekly average of daily cash quotations.

Table 7.- Wheat: Average closing price of May wheat futures, specified markets and dates, 1943-44

Period	Chicago		Kansas City		Minneapolis	
	1943	1944	1943	1944	1943	1944
	Cents	Cents	Cents	Cents	Cents	Cents
Month:						
Oct.	153.0	160.0	147.5	162.7	145.8	153.6
Nov.	158.1	160.2	151.8	152.7	150.5	153.7
Week ended						
Oct. 7	152.0	161.7	146.2	154.4	145.0	155.8
14	153.1	159.1	147.7	151.9	145.5	153.0
21	153.4	159.8	147.9	152.5	145.9	153.1
28	154.2	159.6	148.7	152.1	147.0	153.0
Nov. 4	156.4	158.8	151.1	152.4	149.0	152.0
11	156.2	159.4	150.6	152.0	148.9	152.8
18	159.1	160.2	152.7	152.4	151.4	154.0
25	160.0	161.0	152.3	153.0	151.8	154.6
Dec. 2	161.9	162.0	154.3	154.0	153.8	155.4
9	164.6	160.0	156.4	152.7	156.4	153.6
16	166.5	160.2	158.3	152.7	158.2	153.7
23	165.9	162.9	157.6	155.0	157.6	155.5

Table 8.- Winter Wheat production: Comparison of indication in December with final estimate, 1933-44

Year of harvest	Indication	Final Estimate	Final estimate
	December		above + or
	of pre-year		below -
	Mil. bu.	Mil. bu.	Mil. bu.
1933	Below 400	378	0
1934	435	439	+4
1935	475	469	-6
1936	530	524	-6
1937	Over 600	689	+89
1938	630	685	+55
1939	485	566	+81
1940	399	590	+191
1941	633	671	+38
1942	631	696	+65
1943	625	531	-94
1944	527	764	+237
1945	762		