

THE WORLD'S WHEAT

J. W. Rush's Weekly Report.

Notwithstanding continued large shipments to Europe and heavy arrivals in Europe, the demand for wheat in the past week has again been quite active at improving prices; 1s. per qr. advance on the week may, indeed, be quoted. We have thus quite recovered from the fright which the break in Chicago prices on Friday week caused, and one might also say that European markets have shown themselves practically independent of American influences.

The exhaustion in Europe of what we term the "invisible stocks" lies, I think, at the bottom of this unexpected strength in the market. As affording evidence of this exhaustion in stocks it is related as a fact that a large Italian mill had recently to shut down for several days because a large cargo of Argentine wheat which had been bought failed to arrive on the date expected. A good many German mills have also temporarily closed because of the shortness of supply and unremunerative prices for flour, while in England there have been quite a number of mills which have been very close to this position.

The history of the present season so far seems to be that buyers, anticipating another large Argentine crop and being ignorant of the general exhaustion of stocks, persistently, month after month, refuses to buy, preferring to work down their stocks. Such a process naturally tends to final strength in prices. Now that it is confirmed that Argentine's crop is a disappointing one, probably thirty or forty million bushels less than last year, confidence in the high level of prices has been restored, strengthened by the persistently large demand for Continental countries and by the doubtful condition of the French, German and Hungarian crops.

The shipment to Europe for the past two months have been quite large, averaging 1,325,000 qrs. per week. Therefore there must be large arrivals for two months to come, but millers are so hungry for wheat, and future supplies are so doubtful, that I do not anticipate any depression in values. It is tolerably certain that after the present month Argentine shipments will decrease materially, as will also the Australian exports. Roumania's surplus is now practically exhausted, while Russia, although doubtless possessing still quite a respectable surplus, will not part with it except at high prices, because the necessity exists there, as in other countries, to reconstruct the stocks.

After this month, therefore, we shall begin to feel the effects of America's stubborn resistance to our prices. What exact surplus America may have is difficult to estimate, nor is it made clear by the official return of the farm reserves on March 1st, but it is easy to suggest that it ought to be less than on March 1st last year because the "invisible supplies" having been drawn on so freely in the last half of last season, must be very much less now than they were then.

The shipments of wheat and flour for Europe in the past week, and the total for the 32 weeks since the beginning of the season, compare as follows with last year's figures in years:

	Past week	Same week last year	Total 32 weeks since Aug 1st 1908	Total same period last year.
U.S. and Canada.	190,000	315,000	14,980,000	16,890,000
Argentina - Urug...	620,000	897,000	7,171,000	6,926,000
Russia and other				
Black Sea ports	205,000	35,000	5,845,000	5,715,000
Danubian	21,000	65,000	3,466,000	2,185,000
India		9,000	353,000	1,967,000
Australasia	155,000	42,000	2,767,000	1,011,000
Sundries	34,000	37,000	938,000	1,456,000
Grand Total...	1,225,000	1,400,000	35,520,000	36,150,000
Total for United Kingdom and "Orders"	620,000	775,000	17,450,000	18,950,000

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The weekly average shipments since August 1st have therefore been 1,100,000 qrs., which may be said to be about equal to the actual requirements. But for the remaining 20 weeks prospects are very poor; it is regarded as not improbable that the weekly average shipments for these 20 weeks may not much exceed 850,000 qrs., against 875,000 qrs. last year, 1,175,000 qrs. in 1907 and 1,150,000 qrs. in 1906. It is contestable on the other hand that European requirements during that period will be far larger than they were last year, and probably quite as large as they were in 1906 and 1907.

EX-LAKE WHEAT RATE CUT

The evidence introduced at the recent lake-and-rail hearing before the Interstate Commerce Commission at Minneapolis was to the effect that the discrimination in favor of wheat as against flour, based on rates from Minneapolis to Lake Erie points, amounted to about 7c. a hundred. This evidence was practically not contradicted by the carriers.

Hardly had the hearing been concluded when the mills west of the Great Lakes received a further body blow, and all mills shipping from points of origin making use of at-the-east-of Buffalo rates were proportionally affected. This came in the form of an announcement of a cut by the eastern railroads in the ex-lake wheat rates of one and one-half cents per bushel, or from five and one-half cents for sixty days after April 20th.

The present reduction in ex-lake wheat rates is made to meet the Canadian rates and to prevent the diversion of American wheat through Montreal which took place on a large scale last year. Already the Canadian roads have announced that they will meet the cut, and the merry struggle of the carriers to deplete this country of its diminished stocks of wheat will go on with redoubled