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ECONOMIC DATA ON THE PRODUCTION AND CONSUMPTION OF WHEAT

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Introduction

Interest in the economics of wheat production and distribution has been at a high point in Canada during the unfortunate experiences of the past two years. Much of what has been said and written on the subject appears to be based on incomplete information on this very complex subject. The authors of the following notes submit them, not so much as a complete study of the subject—as that would require many volumes—but as an outline of certain facts which should be kept in mind by those who wish to study this—the major economic activity of Canada.

If, and when present stresses cure themselves, and we return to more placid times, one of the advantages which we shall have won will, it is to be hoped, be greater public interest in and wider study of this great Canadian industry.

Definition of "Crop Year"

The accompanying tables show world acreage and production of wheat, for the period including the crop years from 1909/10 to 1913/14, and for the crop years 1929/30, 1930/31, and 1931/32. The "crop year" includes the harvest which begins in the spring, in the winter wheat areas of the Northern Hemisphere, continues during the summer and the fall, and is completed in the early part of the following year in the Southern Hemisphere. Wheat harvested in 1931, for example, in the Northern Hemisphere, is taken into the harvest year of 1931/32, as is also wheat harvested in the early part of 1932 in the Southern Hemisphere from sowings made in 1931. On the other hand, wheat sown in the fall of 1931 in the Northern Hemisphere for harvesting in the summer of 1932, belongs in the crop year 1932/33.

"ooo" Omitted

The figures given omit, unless definitely specified otherwise, three final ciphers, and represent thousands of acres and bushels.

Lack of Precise Statistics

It is essential to note that world wheat statistics are not, and never have been, precise. The figures used are, in general, those of the Bureau of Agricultural Economics of the United States Department of Agriculture. Other similar series of figures can be extracted from the publications of the International Institute of Agriculture, of G. J. S. Broomhall, and of other statistical services. Minor divergences will occur in comparing figures of

various authorities, but there will be fair agreement on the whole.

Recent Trend of Production

Complete figures are not available for world wheat acreage and production. A fair estimate is that increase has taken place about as follows:—

	1909/10 to 1913/14	1928/29	1929/30	1930/31
World acreage	204,200	246,900	246,900	250,200
World production	3,038,000	3,982,000	3,498,000	3,778,000

Approximately Equivalent to Population Growth

Total increase in acreage for the 1930/31 crop year over the prewar period is therefore about 22.5 per cent. This is believed to be approximately the same as the concurrent increase in the world's population.

Trend of Rye Production

The acreage of rye—which is the most important direct substitute for wheat as human food—has dropped, as for the same dates, from 47,108 to 44,665, and production from 998,003 to 800,711 thousands of bushels.

On the whole the increase in acreage and production of bread grains does not seem to have outrun population increase.

Dietary Trends

Dietary trends affect consumption, but it is impossible to trace them accurately. We are of the opinion that there is a tendency for consumption of cereals to increase in times of low purchasing power, and to decrease when people are in a better position to spend freely—either from genuine economic betterment, or from other and less basic causes. For example, while figures are not available to bear out this theory in detail, we incline to believe that the definite attempt of many countries to maintain artificially high standards of living—as reflected in the "boom" of 1924-28—led to a tendency to substitute other, and more expensive, foodstuffs for bread grain, and that the collapse of the "boom" produced a return to increased per capita consumption of bread grains.

Need of Caution in using Statistics

We wish to lay stress on the necessity for extreme caution in making deductions from statistics of wheat production and consumption, and on this point, instance three pitfalls for the unwary—the varying types and qualities of wheat; the variation in effect on world trade in wheat of fluctuations in production in different countries; and the great variation in per capita consumption of wheat in different countries.