



## REFERENCE PAPERS

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 19

CANADA'S WHEAT<sup>\*</sup>(Revised Sept.  
1954)

The agricultural area of Western Canada is one of the world's largest wheat growing regions. Canada's hard spring wheat, grown in this area, is recognized throughout the grain markets of the world for its superior mixing qualities and baking strength. The following paragraphs outline the principle features of the production and marketing of Canada's most important crops:-

ACREAGE AND PRODUCTION

Canada's wheat acreage and production expanded most rapidly during the First World War, particularly in the three Prairie Provinces of Manitoba, Saskatchewan and Alberta. The wheat acreage in 1914 in Canada was just over 10 million acres but in 1919 it exceeded 19 million acres. Acreage continued to expand during the period between the two World Wars, and reached the highest point on record in 1940, when 28,726,000 acres were seeded to wheat. All but one million acres of this was in the three Prairie Provinces.

The largest Canadian wheat crop was in 1952, when 687,922,000 bushels of wheat were harvested. The 1954 crop is estimated at 377 million, of which 351 million bushels were produced in the Prairie Provinces and 26 million bushels elsewhere, mainly Ontario. Little of the Ontario soft winter wheat crop enters export channels and the remaining paragraphs of this paper will, therefore, apply to Western Canada's hard spring wheat.

Wheat production in Canada since 1908 is recorded in the attached Appendix "A" "Wheat Supply and Disposition - Canada".

METHOD OF HANDLING

The most important characteristic of the handling of Canadian wheat is its movement in bulk right from the time of delivery by the producer through its various stages to seaboard or to domestic mills. Western Canada's wheat is normally harvested during late August and September, and is delivered by truck or wagon to "country elevators" in nearby towns. These country elevators, each with a capacity of between 30,000 and 80,000 bushels, represent approximately half the storage capacity of all grain elevators

\* Revised by Mr. G.N. Vogel, Chief of the Grain Division, Department of Trade and Commerce



R E F E R E N C E - 2 -

in Canada. They are for temporary storage only, however, until the grain can be moved along to the next stage of shipment.

The wheat is loaded from country elevators through spouts into railway box cars and the wheat is then moved from the country points to terminal elevators. Wheat from the eastern two-thirds of the crop area of the Prairie Provinces moves to terminals at the twin cities of Fort William and Port Arthur, located at the western end of the Great Lakes and some wheat goes directly to Port Churchill (approx. 10 million bushels a year). Lake boats and barges transport the wheat from Fort William and Port Arthur to the eastern ports of Montreal, Quebec, Three Rivers, Sorel, Saint John and Halifax. Wheat from the western third of the Prairie Provinces is hauled across the Rocky Mountains to the ports of Vancouver, New Westminster and Prince Rupert.

In addition to the large terminals at Fort William and Port Arthur and the export ports, there are several large elevators at various points across Canada, which act as transfer and storage points for the wheat. Total capacity of all grain elevators in Canada is approximately 561 million bushels.

This enormous storage and transportation system, necessary in the moving of wheat, was built up gradually over the past 50 years and is designed to handle grain quickly and economically, to clean and dry it if necessary, and store it safely until shipment is required.

#### GRADING

The Canada Grain Act, administered by the Board of Grain Commissioners, established a grading system for Canadian wheat and provides for the issuance of government certificates verifying the grade. The grain is inspected by government grain inspectors and graded according to the terms of the Act. A buyer of Canadian wheat, therefore, is assured that the grain he has purchased conforms to rigid standards of government inspection. Such is the respect for the Canadian grading system, that the Board of Grain Commissioners "certificate final" is universally accepted as proof of grade.

Statutory definitions of the principal export grades of western wheat are attached as Appendix B.

The Grain Research Laboratory, established by the Board of Grain Commissioners, conducts annual surveys of the protein content of Western Canadian wheat, and publishes information bulletins and maps each year. It also conducts baking tests with flour milled from Canadian wheat, and issues annually a report dealing with the baking quality of the Prairie wheat crop.

#### METHOD OF MARKETING

Under the authority of the Canadian Wheat Board Act, 1935, as amended, the Canadian Wheat Board acts as the marketing agency for all wheat delivered by producers in Western Canada. Producers are paid an initial payment basis No. 1 Northern in store Fort William/Port Arthur or Vancouver with differentials established for lower grades.



Further interim or final payments depend upon the price realized by the Canadian Wheat Board on the sale of the wheat to domestic or foreign buyers. The initial payment to producers of wheat delivered during the 1954-55 crop year is \$1.40 per bushel basis No. 1 Northern, in store Forth William/Port Arthur or Vancouver. The \$1.40 initial payment has been in effect for the past five crop years.

The country elevators, where the farmer delivers his wheat, are owned either by private companies or by co-operative organizations and act as agents of the Canadian Wheat Board. They are responsible to the Board for accepting delivery of wheat from producers, paying the producers the initial payment and forwarding the grain to terminal elevator points.

The Canadian Wheat Board sells wheat to domestic and foreign buyers. The Board may negotiate export sales on a government to government basis, if the buyer so desires. On the other hand, subject to the wishes of the buyer, the Board will make export sales through appointed agents. Generally speaking these agents are all the more prominent Canadian grain companies, co-operatives and mills. Subject to the Board's approval, these agents may make ordinary export sales of wheat whenever they find an opportunity. By these two methods, the Canadian Wheat Board adapts itself to the wishes of the purchasing countries.

#### INTERNATIONAL WHEAT AGREEMENT

A new International Wheat Agreement, succeeding the 1949 agreement, was negotiated in Washington early in 1953. The agreement covers a three year period commencing Aug. 1st, 1953 with a minimum price of \$1.55 and \$2.05 maximum, basis Canadian currency at the parity of the Canadian dollar, determined for the purpose of the International Monetary Fund as at March 1, 1949.

The International Wheat Agreement provides a basis upon which a substantial quantity of wheat moves in international trade. The objectives of the Agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

The United Kingdom, which had been the largest purchaser of wheat under the 1949 agreement, did not sign the new agreement. Exporters' guaranteed annual quantities for the new agreement are as follows:

	<u>Metric tons</u>
Australia	1,207,170
Canada	4,105,247
France	9,215
United States	<u>5,270,368</u>
Total	<u>10,592,000</u>

#### Wheat Selling Prices

Wheat selling prices, domestic, I.W.A., and Non-IWA (Class II) are announced daily by the Canadian Wheat Board.



Effective Feb. 16, 1954, the Canadian Wheat Board commenced separate selling prices for Western wheat as follows:-

- (a) in store Pacific Coast ports
- (b) in store Fort William/Port Arthur
- (c) in store Port Churchill

Previous to February 16th, the Board's daily prices were the same basis in store Fort William/Port Arthur and Vancouver.

Prices announced by the Canadian Wheat Board for September 13, 1954, are as follows:-

Grades	<u>IWA</u> - <u>Domestic</u> - <u>Class II</u>		
	<u>Basis in store</u>		
	<u>Fort William/Port Arthur</u>	<u>Vancouver</u>	<u>Churchill</u>
No. 1 Northern	1.69 7/8	1.75 7/8	1.78 7/8
No. 2 Northern	1.63 7/8	1.69 7/8	1.72 7/8
No. 3 Northern	1.61 7/8	1.67 7/8	1.70 7/8
No. 4 Northern	1.57 7/8	1.63 7/8	1.66 7/8
No. 5	1.55 7/8	1.55 7/8	
No. 6	1.50 7/8	1.50 7/8	
Feed	1.47 7/8	1.47 7/8	

**Note:-** The cost of moving wheat from in store Fort William to F.O.B. St. Lawrence is approx. 20¢ per bushel. The cost of moving wheat from in store the terminals at Vancouver and Churchill to F.O.B. these ports is approx. 3¢ per bushel.

The primary purpose of the Board's revised pricing policy is to provide Canadian wheat in a competitive position irrespective of the port of shipment.

Exports

- (a) Please note appendix "a" attached which lists the exports of wheat and flour from Canada since 1908.
- (b) A detailed breakdown of the destination of Canada's wheat and flour exports for the crop year 1953-54 is attached as appendix "c".



## W H E A T

## SUPPLY AND DISPOSITION -- CANADA

## S U P P L Y

Crop Year	Production	Carryover <sup>1/</sup> at beginning of Crop Year - thousand bushels -	Imports <sup>2/</sup>	Total Supply
1908-09	112,434	-	179	-
1909-10	166,744	-	209	-
1910-11	132,078	-	408	-
1911-12	231,237	-	375	-
1912-13	224,159	-	889	-
1913-14	231,717	-	358	-
1914-15	161,280	-	2,180	-
1915-16	393,543	-	305	-
1916-17	262,781	-	304	-
1917-18	233,743	-	281	-
1918-19	189,075	-	322	-
1919-20	193,260	-	202	-
1920-21	263,189	-	455	-
1921-22	300,858	-	373	-
1922-23	399,786	22,149	398	422,333
1923-24	474,199	12,174	441	486,813
1924-25	262,097	48,117	630	310,844
1925-26	395,475	30,741	379	426,595
1926-27	407,136	40,139	407	447,682
1927-28	479,665	55,622	475	535,761
1928-29	566,726	91,157	1,346	659,229
1929-30	302,192	127,239	1,375	430,806
1930-31	420,672	126,582	244	547,498
1931-32	321,325	138,598	216	460,139
1932-33	443,061	135,941	173	579,175
1933-34	281,892	217,657	413	499,962
1934-35	275,849	202,902	897	479,648
1935-36	281,935	213,852	292	496,079
1936-37	219,218	127,363	403	346,984
1937-38	180,210	37,049	6,139	223,398
1938-39	360,010	24,536	1,891	386,437
1939-40	520,623	102,911	444	623,978
1940-41	540,190	300,473	123	840,786
1941-42	341,825	480,129	29	794,983
1942-43	556,684	423,752	3	980,439
1943-44	284,460	594,626	433	879,519
1944-45	416,635	356,531	405	773,571
1945-46	318,512	258,073	75	576,660
1946-47	413,725	73,600	16	487,341
1947-48	341,758	86,141	825	428,724
1948-49	386,345	77,710	289	464,344
1949-50	371,306	102,411	4	473,821
1950-51	461,664	112,200	12	573,875
1951-52	552,657	189,203	18	741,877
1952-53	687,922	217,178	17	905,117
1953-54	613,962	369,185	-	983,147
1954-55	377,851	587,487	-	-

- <sup>1/</sup> The figures shown are not entirely comparable. Canadian carryover figures for 1922 and 1923 do not include grain afloat in Canadian Lake and St. Lawrence Ports, rail transit in these years being reported only. From 1922 to 1931, grain afloat to U.S. Ports was not reported. Stocks of Canadian grain in U.S. Lake and Seaboard Ports from 1922 to 1931 are not exact month-end figures, but rather are for the week-end nearest the crop-year end. Stocks on farms are included in all years.
- <sup>2/</sup> Includes wheat flour in terms of wheat.



## DISPOSITION

	Wheat	Exports Wheat Flour <sup>3/</sup>	Total	Apparent Domestic Disappearance <sup>4/</sup>	Carryover at end of Crop Year
			- thousand bushels -		
1909-09	47,624	9,038	56,662	-	-
1909-10	52,624	15,184	67,808	-	-
1910-11	48,443	13,955	62,398	-	-
1911-12	78,787	18,814	67,601	-	-
1912-13	95,511	20,233	115,744	-	-
1913-14	114,902	20,685	135,587	-	-
1914-15	63,902	22,848	86,750	-	-
1915-16	235,739	33,419	269,158	-	-
1916-17	140,224	34,341	174,565	-	-
1917-18	118,580	50,661	169,240	-	-
1918-19	55,921	41,039	96,960	-	-
1919-20	63,450	29,049	92,500	-	-
1920-21	136,969	30,247	167,215	-	-
1921-22	150,935	34,834	185,770	-	22,149
1922-23	229,849	49,516	279,365	130,794	12,174
1923-24	292,425	54,096	346,522	92,175	48,117
1924-25	146,958	45,764	192,722	87,381	30,741
1925-26	275,557	49,035	324,592	61,864	40,139
1926-27	251,266	41,615	292,881	99,180	55,622
1927-28	288,567	44,396	332,963	111,641	91,157
1928-29	354,425	55,139	407,564	124,425	127,239
1929-30	155,766	30,501	117,957	117,957	126,582
1930-31	228,536	30,157	258,694	150,207	138,598
1931-32	182,803	24,226	207,030	117,168	135,941
1932-33	240,137	24,168	264,304	97,214	217,077
1933-34	170,234	24,546	194,780	102,280	202,902
1934-35	144,375	21,376	165,751	100,044	213,852
1935-36	232,020	22,405	254,425	114,291	127,363
1936-37	189,407	20,365	209,773	100,163	37,049
1937-38	79,342	16,243	95,586	103,276	24,536
1938-39	139,315	20,719	160,034	123,492	102,911
1939-40	162,158	30,516	192,674	130,830	300,473
1940-41	184,907	46,300	231,206	129,451	480,129
1941-42	179,902	45,926	225,828	145,403	423,752
1942-43	158,112	56,588	214,701	171,112	594,626
1943-44	283,166	60,590	343,755	179,233	356,531
1944-45	280,288	62,657	342,946	172,552	258,073
1945-46	278,070	65,116	343,186	159,874	73,600
1946-47	163,388	76,033	239,421	161,779	86,141
1947-48	133,505	61,477	194,982	156,031	77,710
1948-49	184,235	48,094	232,329	129,604	102,411
1949-50	179,457	45,680	225,137	136,485	112,200
1950-51	185,039	55,921	240,961	143,712	189,703
1951-52	304,711	51,103	355,825	168,874	217,770
1952-53	329,026	56,501	385,527	150,405	369,000

<sup>3/</sup> Conversion factor: 1 barrel of 196 pounds of flour equivalent to 4.5 bushels of wheat.

<sup>4/</sup> Total supply less exports and carryover at end of crop year.



## STATUTORY GRADES OF WESTERN GRAIN RED SPRING WHEAT

Grade name	Minimum weight per bushel in pounds	Variety	Minimum percentage of weight of hard vitreous kernels	Degree of soundness	Maximum Limits of Foreign Material			
					Foreign material other than wheat	Wheat of other classes or varieties	Matter other than cereal grains	Total including Durum
No. 1 Manitoba Hard	62	Marquis or any variety equal to Marquis	80	Sound and well matured	Free	Free	Free	Free
No. 1 Manitoba Northern	60	Marquis or any variety equal to Marquis	65	Well matured, practically free from damaged kernels	Practically free	Practically free	Practically free	About 1%
No. 2 Manitoba Northern	58	Marquis or any variety equal to Marquis	50	Reasonably well matured, reasonably free from damaged kernels	Practically free	About 1%	About 1%	3%
No. 3 Manitoba Northern	57	Any variety of Red Spring Wheat of fair milling quality, excluding Garnet	35	Excluded from higher grades on account of lightly frosted, immature or other light damage, reasonably well matured	Reasonably free	About 2%	3%	10%
No. 4 Manitoba Northern	56	Any variety of Red Spring Wheat, excluding Garnet	-	Excluded from higher grades on account of frosted, immature or other damage, reasonably well matured	Reasonably free	About 2½%	4%	10%
No. 4 Special	53	Any variety of Red Spring Wheat	-	Rusted or shrunken but otherwise reasonably sound, reasonably well matured	Reasonably free	About 2½%	4%	-



## Overseas Clearances of Canadian Wheat &amp; Wheat Flour &amp; United States Imports August, 1953, to July, 1954.

	July		June		August <sup>†</sup> -July	
	Wheat Flour 2/ bu.	Wheat 1/ bu.	Wheat Flour 2/ bu.	Wheat 1/ bu.	Wheat Flour 2/ bu.	Wheat 1/ bu.
<b>COMMONWEALTH COUNTRIES</b>						
United Kingdom	1,486,742	8,196,780	1,634,620	5,600,195	16,230,497	65,809,195
<b>Africa</b>						
British S. Africa	-	449,366	-	1,323,220	-	7,772,960
<b>Br. W. Africa</b>						
Gambia	-	-	-	-	19,805	-
Gold Coast	70,830	-	79,898	-	901,170	-
Nigeria	48,604	-	75,056	-	534,537	-
Sierre Leone	17,033	-	18,238	-	116,352	-
Other Br.W.Africa	-	-	6,426	-	6,426	-
<b>Asia</b>						
Ceylon	-	-	-	-	242,829	-
Hong Kong	48,542	-	80,138	168,560	1,043,690	168,560
India	-	-	76	-	76	4,272,438
Malaya & Singapore	28,575	-	40,419	-	368,951	-
<b>Europe</b>						
Gibraltar	7,709	-	12,838	-	135,423	-
Malta	-	-	-	190,400	-	1,683,173
<b>North America</b>						
Bahamas	19,368	-	28,930	-	262,840	-
Barbados	27,418	-	27,797	-	433,498	1,508
Bermuda	8,194	-	14,036	-	117,850	-
Br. Honduras	2,655	-	8,717	-	56,093	-
Jamaica	142,857	-	2,682	-	1,794,708	3,490
Leeward-Windward	85,995	-	106,052	-	997,200	-
Trinidad-Tobago	117,027	-	194,922	-	2,228,148	-
<b>South America</b>						
British Guiana	12,001	-	16,488	-	982,219	-
<b>Total Commonwealth Countries</b>	<b>2,123,550</b>	<b>8,464,146</b>	<b>2,327,333</b>	<b>7,282,375</b>	<b>26,472,312</b>	<b>79,661,324</b>
<b>FOREIGN COUNTRIES</b>						
<b>Africa</b>						
Azores & Madeira	3,523	-	3,244	-	58,819	-
Belgian Congo	111,825	-	51,246	-	705,596	9,186
Canary Islands	-	-	-	-	918	-
Egypt	1,768	-	-	-	6,367	-
French Africa	-	-	-	-	7,843	-
Liberia	585	-	1,440	-	7,618	-
Libya	-	-	-	-	-	451,734
Morocco	5,301	-	4,950	-	294,692	-
Portuguese East Africa	302	-	-	-	10,876	398,346
Portuguese West Africa	1,669	-	5,508	-	41,260	-
Spanish Africa	-	-	-	-	14,148	-
<b>Asia</b>						
Arabia	-	-	337	-	99,094	-
Formosa	-	-	-	-	-	79,707
Indonesia	-	-	-	-	72,041	-
Israel	-	747,600	-	753,800	3,060	4,482,864
Japan	35,775	3,668,119	23,981	3,634,492	1,029,078	39,387,301
Korea	-	-	101,227	-	1,054,273	-
Lebanon	239	-	-	-	126,680	-
Philippine Islands	329,854	-	406,143	-	5,153,202	-
Portuguese Asia	2,295	-	2,295	-	20,417	-
Syria	-	-	-	-	135	-
Thailand	19,863	-	24,430	-	310,005	-



APPENDIX "C" CONTINUED

	July		June		August-July	
	Wheat 2/ Flour 2/	Wheat 1/	Wheat 2/ Flour 2/	Wheat 1/	Wheat 2/ Flour 2/	Wheat 1/
		bu.	bu.	bu.	bu.	bu.
<u>Europe</u>						
Austria	-	-	-	-	-	350,000
Belgium	-	1,576,703	-	714,985	-	13,285,003
Denmark	229	-	-	-	1,354	878,700
Finland	-	-	-	161,680	-	161,680
France	2,020	-	3,033	-	15,151	709,334
Germany, Federal Republic of	34,511	401,333	82,512	4,611,134	627,953	20,699,355
Iceland	-	-	-	-	172,755	-
Ireland	-	-	-	149,333	-	1,950,554
Italy	11,722	-	1,607	-	176,472	382,922
Netherlands	-	355,600	1,404	753,946	17,451	6,814,869
Norway	-	487,856	-	356,219	-	3,186,992
Portugal	2,524	-	459	-	57,622	354,667
Spain	-	-	-	-	-	3,424,966
Switzerland	-	622,347	180	393,867	180	9,884,905
Yugoslavia	459	-	347	-	18,720	-
<u>North America</u>						
Alaska	-	-	5	-	9	-
Costa Rica	55,570	-	38,943	-	455,328	40,000
Cuba	142,097	-	98,190	870	903,704	1,149,217
Dominican Republic	42,957	-	62,950	-	510,849	-
El Salvador	26,384	-	12,051	-	295,727	-
French W. Indies	1,283	-	477	-	7,236	-
Guatemala	43,672	-	13,820	-	438,615	-
Haiti	42,026	-	30,078	-	609,971	-
Honduras	-	-	1,836	-	21,901	6,667
Mexico	549	-	-	-	1,098	-
Netherlands Antilles	22,878	-	26,919	-	252,648	-
Nicaragua	16,452	-	13,878	-	300,524	-
Panama	33,525	-	27,288	-	355,559	-
St. Pierre-Miquelon	387	-	3,465	-	19,359	-
United States	30,074	-	131,099	-	281,417	-
For grinding in bond 3/	-	-	-	136,807	-	2,160,739
For domestic use 3/ Virgin Islands	-	119,620	2,254	1,183,548	11,776	5,517,413
<u>Oceania</u>						
French Oceania	12,654	-	-	-	12,654	-
Guam	1,724	-	585	-	3,456	-
<u>South America</u>						
Bolivia	-	-	-	-	17,626	846,120
Brazil	-	-	-	795,293	1,440	7,705,841
Colombia	153,302	323,561	88,362	70,968	772,475	1,270,089
Ecuador	284	441,835	-	172,692	42,462	2,005,800
Peru	1,607	-	6,102	-	41,121	1,567,351
Surinam	8,424	-	19,188	-	195,066	-
Venezuela	567,360	-	402,655	2,000	4,183,911	11,480
Total Foreign Countries	1,767,573	8,744,574	1,694,488	13,891,634	19,839,712	129,173,802
and Total Exported	3,891,123	17,390,720	4,021,821	21,174,009	46,312,024	208,835,126

1/ Subject to Revision.

2/ Canadian Customs Returns.

3/ Compiled from returns of Canadian elevator licensees and advice from American Grain correspondents.



