

## Section 1.—Grain Trade\*

### Subsection 1.—Marketing Problems and Policies, 1949-50 to 1951-52

**Wheat.—Requirements and Supplies.**—World demand for wheat and wheat products has, for the most part, remained firm during the period under review although foreign exchange difficulties and political problems have become increasingly important factors in the international movement of grain and flour.

On the supply side, Canada harvested a near-average crop (371,400,000 bu.) of good quality wheat in 1949 followed by an above-average crop (461,700,000 bu.) in 1950 and a near-record outturn (552,700,000 bu.) in 1951. The season was late, however, in the latter two years. In 1950, a substantial proportion of the crop was frosted, with some acreage remaining unthreshed over winter. In 1951, autumn rains prevented completion of harvest and an estimated 150,000,000 bu. remained for spring threshing. While it was possible to recover most of the over-wintered grain of both crops, the impact of these two abnormal harvests created serious handling problems.

Large quantities of low-grade wheat from the 1950 harvest had to be disposed of and the lateness of the season delayed movement of grain to forward positions. Similar conditions prevailed in 1951-52 with the addition of a tremendous drying problem arising out of the unprecedented volume of tough and damp grain threshed in the autumn of 1951. However, with the excellent co-operation of all agencies concerned, it was possible to save nearly all of these out-of-condition stocks. During the winter months buyers accepted large quantities of tough wheat and all available drying equipment, including facilities at Duluth and Buffalo, U.S.A., was utilized. By a stroke of fortune, the spring of 1952 was early and warm and spring-threshed grain turned out very dry. This made possible the use of the 'natural' drying process whereby dry grain is mixed with tough and damp stocks to bring the moisture content of the whole to a straight grade level.

Despite all the difficulties surrounding the handling of the 1951 crop, exports of wheat as grain for the 1951-52 crop year, at 304,700,000 bu., were exceeded only once before in the country's history when 354,400,000 bu. were exported in 1928-29. Combined exports of wheat and wheat flour in terms of wheat during 1951-52 amounted to 356,600,000 bu., an increase of 115,600,000 bu. over 1950-51. However, the merchandising problems associated with handling unusually large quantities of out-of-condition grain from two successive late crops held export movements to a much lower level than would have been the case had these crops been threshed in good condition at the normal time of year. In consequence, some build-up in carryover occurred, wheat stocks at July 31, 1951, amounting to 189,200,000 bu. compared to 112,200,000 bu. a year earlier. Estimated total supplies of Canadian wheat for the crop year 1951-52 (carryover at July 31, 1951, plus 1951 crop) amounted to 741,900,000 bu. The carryover at July 31, 1952, showed a further increase although stocks were well below the levels existing at the close of the crop years 1940-41 to 1943-44, when carryover stocks ranged from 357,000,000 bu. to 595,000,000 bu.

\* Prepared by the Chief of the Crops Section, Agriculture Division, Dominion Bureau of Statistics.