

Section 2.—Grain Trade

Subsection 1.—Marketing Problems and Policies, 1953-54

Production of three of Canada's major grain crops—wheat, barley and rye—in 1953 was the second highest on record and yields of most other grains were also considerably above average. The cumulative effect of the 1953 crop, following the unusually large production of 1951 and the record production of 1952, continued to impose a severe strain on all grain storage and handling facilities and to call for an unusually high degree of co-ordination in marketing Canadian grain throughout this period. As in recent years, marketing arrangements for wheat, oats and barley in Western Canada in 1953-54 continued under the system of compulsory crop-year pools administered by the Canadian Wheat Board. Rye and flaxseed in Western Canada and all grains in Eastern Canada continued to be sold on the open market.

Unprecedented quantities of Western Canadian grain have necessitated a continuous review by the Canadian Wheat Board of marketing methods considered most suitable to provide adequate supplies of the various grains to meet both domestic and export commitments and, at the same time, to ensure that producers have the opportunity of delivering grain in as equitable a manner as possible. In 1953-54, initial delivery quotas of three bushels per 'specified acre' were established for individual producers on the basis of their 'specified acreage', that is, acreage seeded to wheat (other than Durums), oats, barley, and rye plus summer-fallow. The initial quota was adjusted as conditions permitted, all delivery points being on a 7-bushel quota by July 9, 1954. Durum wheat and flaxseed remained on an open quota basis throughout the crop year.

Although marketings and exports of Canadian grain during the 1953-54 crop year did not continue the record-breaking levels of the preceding two crop years, they were well above average in total volume. Preliminary data on marketings of the five major grains in Western Canada in 1953-54 indicate a total of 610,100,000 bu., compared with 844,100,000 bu. in 1952-53 and the ten-year (1943-44—1952-53) average of 557,900,000 bu. Combined exports of the same grains (including wheat flour, rye flour, rolled oats and oatmeal in grain equivalent) amounted to 437,900,000 bu. as against 582,800,000 bu. in 1952-53 and the ten-year average of 381,800,000 bu.

Despite abnormally heavy marketings by farmers for three successive crop years, farm stocks of wheat, barley and rye at July 31, 1954, were the highest on record for the end of a crop year and those of oats and flaxseed had been exceeded only once before.

Combined stocks of the five major grains in all positions were estimated at a record 890,000,000 bu., more than two and one-half times as great as the 1944-53 average of 325,000,000 bu. These record total stocks of high-quality grain did much to offset the otherwise serious effects of the 1954 crop which was unusually low in both yield and quality.

Wheat.—*Supply and Disposition.*—Stocks on hand at the beginning of the 1953-54 crop year amounted to 369,200,000 bu. These stocks, the largest since 1943, represented the fifth consecutive annual increase from the abnormally low level of 77,700,000 bu. on hand at July 31, 1948. The next-to-record 1953 wheat crop of 614,000,000 bu., together with large carryover stocks, provided total crop-year supplies of 983,600,000 bu., the highest level on record.