

Marketings of wheat at 517.5 million bu were 35% above the 384.3 million bu the previous year and accounted for 54% of all deliveries during 1971-72. Marketings of the other major grains in millions of bushels (1970-71 totals in parentheses) were: oats, 32.3 (58.3); barley, 295.5 (235.9); rye, 15.5 (11.6); flaxseed, 21.6 (33.7); and rapeseed, 69.8 (61.5).

During 1971-72, Canada exported a record 823.8 million bu of the six major grains, including 24.7 million bu of wheat flour in terms of wheat equivalent. Export clearances of wheat rose to 478.1 million bu, some 17% above the 1970-71 total of 409.4 million bu and nearly 27% more than the ten-year (1960-61 - 1969-70) average of 377.5 million bu. Exports of oats at 10.2 million bu were below the 1970-71 total of 13.1 million bu. Barley exports rose to a record 224.3 million bu from the 1970-71 level of 172.3 million bu and rye exports also climbed to 10.8 million bu from 8.9 million bu. Flaxseed exports registered gains in 1971-72, rising to 25.7 million bu, but rapeseed exports declined to 42.6 million bu.

Total domestic consumption of wheat in Canada declined slightly to 170.6 million bu in 1971-72 from 170.8 million bu in 1970-71, due to a relative decrease in the estimated quantity fed, which more than offset an increase in seed requirements. Domestic utilization of oats declined to 360.1 million bu, from 370.5 million bu, and rye to 8.4 million bu from 11.4 million bu. Barley rose to 321.4 million bu from 291.9 million bu. Domestic disappearance of flaxseed increased to 7.2 million bu from 7.1 million bu, and that of rapeseed from 18 million bu to 21.6 million bu.

Stocks of wheat at the close of the crop year on July 31, 1972 stood at 589.4 million bu, 20% below the closing stocks of the previous year. Year-end stocks of the other major grains were: oats, 118.3 million bu; barley, 194 million bu; rye, 15.5 million bu; flaxseed, 16 million bu; and rapeseed, 41.8 million bu.

11.7.1.3 The International Wheat Agreement 1971

A United Nations Wheat Conference was convened under the auspices of the United Nations Conference on Trade and Development (UNCTAD) at Geneva in January 1971 to negotiate a new agreement to replace the International Grains Arrangement (IGA) 1967 which was to expire on June 30, 1971. Canadian objectives at the conference were to conclude a meaningful international agreement to provide market stability and to assure adequate price levels for efficient wheat producers. It was also made clear from the outset that Canada would not accept an agreement that would put her wheat exports at a competitive disadvantage and that an acceptable agreement would have to provide equity in rights and obligations among exporters and between exporting and importing countries.

Under the 1949 and subsequent International Wheat Agreements (IWA), Canada, alone of the major exporters, had a firmly established price range, with No. 1 Northern being the reference wheat and Thunder Bay the reference port. The IGA 1967 was an attempt to strengthen pricing provisions by having firm price ranges established for the principal grades of wheat of all major trading nations. Unfortunately, the IGA minimum prices were breached by certain exporting countries even before the Arrangement became operative.

Prior to the 1971 International Wheat Conference, the United States rejected the IGA pricing formulae as a basis for a new agreement. It was proposed that there be a return to the old IWA formula under which only Canada would have a specified price range. The latter proposition was unacceptable to Canada.

The Conference was unable to reach agreement on either the establishment of reference grades or the establishment of reference points and related price equivalents. As a result, it was not possible to devise meaningful price provisions which met the objectives of market stability and equity of rights and obligations among exporters and between exporting and importing countries.

The result of the Conference was the formulation of the International Wheat Agreement 1971, which became effective for the period July 1, 1971 to June 30, 1974. It contains neither price provisions nor related rights and obligations but provides that the International Wheat Council shall request the Secretary-General of UNCTAD to convene a conference when it is judged that the price question can be successfully negotiated.

The International Wheat Council continues as a forum for international consultation and co-operation, and as an agency for the collection and dissemination of information on the world wheat situation. Membership in the new Wheat Trade Convention remains the same except for the admission of the USSR as an exporter, and Brazil, Taiwan, Panama and Syria as