A Commodity Review.

A REVIEW OF THE WORLD WHEAT SITUATION IN 1948.

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There is, at last, a glimmer of hope in the world wheat situation; the latest news from Europe and North America gives some indication that, with the 1948 Northern Hemisphere crops soon to be harvested, the acute shortage experienced since the end of World War II may be alleviated to some extent before the end of 1948. However, wheat and all other grains are still likely to remain in short supply for some considerable time, and the improved 1948 crop prospects, while an indication of a brighter future for the many millions for whom wheat is a basic food, do not mean that supply will overtake demand this year, or next, but merely that, from the consumer's point of view, the position is improving.

There is nothing to indicate that there will be a surplus of wheat in the immediate future; demand will still probably exceed supply in 1948 and 1949 and possibly for several years longer. While, irrespective of any International Agreement, prices may, and probably will, fall in the near future, there is nothing in the present world supply/demand picture to justify the assumption that there will be a disastrous fall in world wheat prices within the next two or three years. By "disastrous fall" it is meant that prices appear unlikely to fall to levels which would be unprofitable to the great majority of Australian wheatgrowers, at least for some years to come.

It is notoriously difficult to forecast the future of the wheat market far in advance, but all information available to-day indicates that, short of a succession of exceptionally high yields in all the major wheat producing countries, the Australian wheatgrower can expect a payable price for all the wheat he is able to grow in this and the next two seasons.

The Improved World Outlook.

In summary, the following factors have, or are, contributing to a generally improved outlook for the supply of wheat in the future:—

(i) A substantial improvement in European crop prospects for 1948.

(ii) Another 1,000 million crop in the United States (the fifth in succession, but only the sixth on record).

(iii) The record crop recently harvested in Australia and a crop in Argentina much above expectations.

(iv) An improvement in the world rice supply situation.

Demand Will Remain Heavy.

But, in spite of some increase in the world supply of wheat, there is no evidence to indicate that sufficient wheat will be produced in the near future to meet effective world demand.

Despite the fact that European production is expected to be considerably higher in 1948 than in any year since 1939, it will still be less than the pre-war average. On the other hand, the need for wheat in Europe is, and will continue to be, much greater now than it was pre-war, because:—

(i) The population has increased considerably since 1939, and, on the same per capita basis of consumption, much greater quantities of wheat are required.

(ii) The production of rye—the other major European bread grain—fell off during the war period to an even greater extent than did the production of wheat, and, to date, has not shown the same recovery.

(iii) Production in Europe has been slow in recovering from the effects of the war. It is important to note that, whereas the area sown to wheat has increased very considerably, the average yield per acre is well below the pre-war average due to lack of fertiliser, the poor quality seed in widespread use, and lack of adequate machinery. Shortage of fertiliser and lack of machinery are likely to continue to hinder European recovery for several years to come.

(iv) Due to the reduction in livestock numbers which took place in Europe during World War II, production of meat is now considerably below the pre-war level, and this, and the general world shortage of fats and oils, means that most Europeans are more dependent on wheat and other bread grains than they were pre-war. Supplies of meats, oils and fats and other foodstuffs are not increasing rapidly and wheat will continue to be used as a substitute, when it is obtainable, until such times as supplies of other foodstuffs are adequate to meet the demand for them.

Turning from Europe to Asia we find that Asiatic countries are also extremely short of wheat and rice, one or other of which are of even more importance in the diet of the majority of Asiatics than is wheat or rye in Europe. A Committee of the Food and Agriculture Organisation has estimated that the world production of rice will not be sufficient to meet effective demand until 1952, and until that time large, but decreasing, quantities of wheat will be used as a substitute for rice, if available. It must not be forgotten that the population of Asia is also increasing rapidly and that the population of India alone has increased by about 40 million persons since 1939. So that if even the very low pre-war standard of living is to be maintained in Asia, there is a substantially increased potential demand for cereals.

Finally, it is perhaps well to remember that the United States is enjoying its fifth consecutive 1,000 million bushel crop, although the average pre-war crop was only 716 million bushels. The increased production of the past four years or so has been due partly to the increased areas harvested but also to a significant increase in the yield per acre, due largely, although not entirely, to an exceptionally good run of seasons. It is perhaps too much to expect that such yields can continue indefinitely. The significance of the foregoing will be realised if consideration is given to the fact that—

(i) if U.S. wheat production were to revert to the pre-war level she would have no wheat available for export (assuming the current rate of domestic consumption were to continue);

(ii) in the current crop year the U.S. will be responsible for over 50 per cent. of the total world wheat exports. Her exports in this period are expected to amount to 500 million bushels, more than the Australian and Argentine crops combined!

Thus, everything considered, there is good reason to believe that demand for wheat will exceed supply for some time to come.

The Situation in the Four Chief Exporting Countries.

Overall production in the four major wheat exporting countries, the United States, Canada, Argentina and Australia, was a record in 1947-48. Both the United States and Australia harvested record crops, while both the Canadian and Argentine crops exceeded the immediate pre-war average.

Due to this most opportune increase in production it appears that the four countries concerned may, during their current crop year,* export nearly 1,000 million bushels. This figure too, if achieved, will be a record. The largest quantity of wheat previously exported in one crop year by these four countries was in 1945-46, when they exported 834 million bushels. The anticipated exports this current year will probably account for about 95 per cent. of world wheat exports; they will amount to almost twice the average pre-war volume of exports and considerably more than double the volume of exports in the early war years.

Exports fell to their lowest level for very many years in 1942-43 when they amounted to only 362 million bushels. This fall in exports was due primarily to two causes; firstly, many export markets were entirely cut off due to the war and, secondly, an acute shortage of shipping necessitated only the minimum necessary requirements being shipped to those countries still able to trade with the four exporters concerned. As a result year-end stocks at the end of the 1942-43 crop year were also at a record level, and in fact amounted to 1,556 million bushels. This was 2 to 3 times greater than average pre-war stocks and nearly ten times greater than the stocks expected to be held at the end of the current crop year. Year-end stocks dropped consistently from 1942-43 until 1945-46 by which year they had fallen close to the minimum level to which they could safely be allowed to fall. There has been little variation in year-end stocks since then and in the past and the current crop years exports have come almost entirely from current production. Despite this fact, however, exports in each of the years 1945-46 to 1947-48 have been at a higher level than in any other years on record.

*NOTE.—Crop years vary in different countries with the seasons. The crop year in the four countries concerned commences 1st July in the United States, 1st August in Canada, 1st December in Australia and Argentina. Until 1944 the crop year in Argentina was taken as commencing on 1st January.

TABLE I.—*Movements in the World Wheat Situation.*

Four Chief Exporters.

(Figures in millions of bushels).

Country.	1. Initial Export-able Surplus.	2. Crop.	3. Domestic Disappear-ance.	4. (2 — 3) Current Export-able Surplus.	5. (1 + 4) Total Ex-portable Surplus.	6. Net Exports.	7. (5 – 6) Final Stocks.
			1939–40.				
Canada	103	521	132	389	492	192	300
U.S.A.	250	741	663	78	328	48	280
Argentine	120	131	107	24	144	133	11
Australia	21	210	59	151	172	95	77
Total... ...	494	1,603	961	642	1,136	468	668
			1940–41.				
Canada	300	540	129	411	711	231	480
U.S.A.	280	813	674	139	419	34	385
Argentine	11	299	101	198	209	89	120
Australia	77	82	59	23	100	58	42
Total	668	1,734	963	771	1,439	412	1,027
			1941–42.				
Canada	480	315	145	170	650	226	424
U.S.A.	385	943	668	275	660	28	632
Argentine	120	224	101	123	243	83	160
Australia	42	167	60	107	149	44	105
Total	1,027	1,649	974	675	1,702	381	1,321
			1942–43.				
Canada	424	557	171	386	810	215	595
U.S.A.	632	974	951	23	655	33	622
Argentine	160	235	134	101	261	76	185
Australia	105	156	69	87	192	38	154
Total ...	1,321	1,922	1,325	597	1,918	362	1,556
			1943–44.				
Canada	595	284	179	105	700	344	356
U.S.A.	622	841	1,216	—375	247	—70	317
Argentine	185	250	172	78	263	93	179
Australia	154	110	95	15	169	91	78
Total	1,556	1,485	1,662	—177	1,379	458	921
			1944–45.				
Canada	356	417	169	248	604	346	258
U.S.A.	317	1,072	997	75	392	111	281
Argentine	170	150	145	5	175	93	82
Australia	78	53	100	—47	31	19	12
Total	921	1,692	1,411	281	1,202	569	633
			1945–46.				
Canada	258	318	161	157	415	341	74
U.S.A.	281	1,108	900	208	489	389	100
Argentine	82	143	154	—11	71	50	21
Australia	12	142	78	64	76	56	20
Total	633	1,711	1,293	418	1,057	836	215
			1946–47.				
Canada	74	413	161	252	326	242	484
U.S.A.	100	1,153	769	384	484	400	84
Argentine	21	206	125	81	102	82	20
Australia	20	117	78	39	59	46	13(a)
Total	215	1,889	1,133	756	971	770	201
			1947–48.				
Canada	94(a)	341(a)	150(c)	191	275	200	75
U.S.A.	84	1,365	849	516	600	500	100
Argentine	20	274(d)	125	149	169	149	20
Australia	13(a)	228(a)	80(b)	148	161	136(b)	25(b)
Total	201	2,208	1,204	1,004	1,205	985	220

(a) Subject to revision. (b) Forecast. (c) Estimate. (d) Official estimate.

Stocks at the end of the current year are again expected to be in the vicinity of 200 million bushels, approximately 175 million bushels of which will be held in the two North American countries. There is little doubt that the four exporters will be able to export all the surplus wheat they are able to produce in the 1948-49 crop year at prices that should prove eminently satisfactory to growers. It seems hardly likely that any substantial reserves will be built up during that year in view of the continued world shortage of grains and it therefore seems probable that at the end of the 1948-49 crop year stocks will again be at a low level.

It is, of course, far too early to estimate crop yields in 1948, and the figures which follow must not be assumed to be forecasts of production. They are merely given to indicate the amount of wheat likely to be available for export in 1948-49 if average yields are experienced in Canada, Australia and Argentina in 1948. U.S. figures are based on the latest forecast of winter wheat provided by the U.S. Department of Agriculture, and assume an average yield of spring wheat.

TABLE II.

Probable Production, 1948.

Country.	Probable Production (Assuming Average Yields).	Available for Export.
	(m. bushels).	(m. bushels).
Canada	400	250
United States	1,130	330
Argentina	200	80
Australia	170	90
Total	1,900	750

Canadian spring wheat seedlings are estimated at 23,700,000 acres. This figure indicates that the total area sown will approximate that sown in 1947 and, consequently, a crop of about 400 million bushels may be expected, given average war-time yields. If a crop of this size is harvested, 250 million bushels might be available for export in 1948-49.

A crop in the vicinity of 1,130 million bushels is indicated in the United States. Such a crop, if it materialises, would provide a maximum of 330 million bushels for export.

Southern Hemisphere prospects for 1948 are considerably more difficult to gauge at this stage—they are also of considerably less importance. Assuming the availability of 170 million bushels for export from Argentina and Australia, there might be about 750 million bushels available for export from the four countries in the 1948-49 crop year. While this quantity would be considerably less than the quantity exported in the current year, it would be much above the pre-war average. It does not appear likely that there will be any difficulty in disposing of this quantity of wheat at prices which should prove satisfactory to growers in all the countries concerned.

Conditions differ in each of the four countries, and in the following pages will be considered individually.

Canada.

Canadian production of wheat in 1947 of 341 million bushels was well below the war-time average production, and exports were the lowest since 1942-43. Canada, formerly the world's largest exporter of wheat, has, for the past two years, taken second place to the United States and, in the current crop year, it appears that her exports will fall below last year's level and will, in fact, be smaller than in any year since 1939-40.

The area sown to wheat in 1947 was 23,895,400 acres, from which an average yield of 17.2 bushels per acre was obtained. Canada experienced particularly high wheat yields during the war years and, although the yield in 1947 was well below the war-time average, it compared most favourably with the immediate pre-war figure of 10.5 bushels per acre. At the annual Agricultural Objectives Conference held in Ottawa last December, it was agreed that it was desirable that farmers should plan on the basis of 1947 production in so far as wheat is concerned. It appears from the latest information available that they have followed this advice and that sowings will again be in the vicinity of 24 million acres. On this basis, it would not be unreasonable to anticipate a crop of about 400 million bushels if the average yields of recent years are maintained. If such a crop were harvested there should be approximately 250 million bushels available for export. Canada, it should be noted, has contracted to supply the United Kingdom with 140 million bushels of wheat in the current and each of the next two crop years.

United States.

The United States has harvested four successive record crops, each exceeding 1,000 million bushels, and again this year a 1,100 million bushel crop is in prospect. Only once prior to 1944-45 had a crop exceeding 1,000 million bushels been harvested.

This succession of record crops, taken in conjunction with record stocks built up in the early and mid-war years (peak—622 million bushels at the end of the 1942-43 crop year) has enabled the United States to increase her wheat exports to such an extent that in the current crop year it is expected that they may amount to 500 million bushels, more than the anticipated exports from the other three countries combined, and approximately half the wheat exports of the world during this period. To attain this level of exports the United States has had to reduce domestic consumption from peak war-time levels (1,216 million bushels in 1943-44). However, domestic utilisation is still well above the pre-war average figure of about 690 million bushels.

As already mentioned, another large United States wheat crop is in prospect. The area sown to winter wheat is a record, 58,648,000 acres, as compared with 58,068,000 acres seeded last year. A crop of 860,521,000 bushels is forecast from this area. Spring wheat is expected to yield 272 million bushels (assuming average yields), giving a total crop of over 1,132 million bushels; only two crops larger than this have ever been harvested.

If a crop of the size indicated eventuates, the United States should have over 300 million bushels available for export in 1948-49. This would be 200 million less than the quantity expected to be exported this current year.

Argentina.

The acreage seeded to wheat in Argentina last year has been estimated at 13,641,400 acres, as compared with 16,465,000 acres the previous year, and an average pre-war area of nearly 19 million acres. The area seeded to wheat in Argentina fell fairly consistently during the war years due largely to low prices and the fact that surplus wheat could not be shipped. Large stock piles which built up in those years were utilised largely as fuel and for stock feed—during the mid-war years domestic utilisation of wheat in Argentina reached record levels.

The area sown has not recovered since the war ended and, in fact, the area seeded last year was the lowest since for many years before the war. This reduction in wheat acreages is due largely to the Argentine Governments policy of selling wheat at a high price on the export market but returning only a small portion of the receipts to the grower. This has caused general dissatisfaction amongst growers, but, despite this, the Government recently announced the continuance of its policy in this regard until such time as the internal transport situation is improved. Although the Government increased the price payable to growers slightly in the latter part of last year, it is doubtful whether the increase will be sufficient to cause any substantial increase in area in 1948.

Information regarding stocks and domestic utilisation of Argentine wheat remains difficult to obtain. However, it is reliably estimated that stocks of old crop wheat at the end of the 1946-47 crop year did not exceed 20 million bushels. Exports are officially stated to have amounted to 82 million bushels so that it would appear that approximately 125 million bushels were utilised for domestic consumption. With stocks once more at their minimum safe level at the end of the year Argentina will again, in the current year, have to rely entirely on her 1947 crop to supply both domestic requirements and exports. If domestic utilisation is approximately the same as in the previous year, there should be nearly 150 million bushels available for export, but this will again result in stocks being reduced to their minimum level at the end of the 1947-48 crop year.

Argentina has, during the past two years, signed a number of bilateral agreements for the supply of wheat with at least twelve countries. The countries concerned are Spain (11 million bushels in 1948), Brazil (44 million bushels, subject to certain conditions), Switzerland (3.7 million bushels), Czechoslovakia, Italy, India, Uruguay and a number of other neighbouring South American countries. It would therefore appear that Argentina will have comparatively little wheat available for sale, outside of her present contracts, during the current crop year.

Australia.

Australia's record 1947-48 crop, at present estimated at 228 million bushels, was almost twice the size of the previous year's crop, and, if transport and handling facilities prove adequate to handle it, Australia may export up to 144 million bushels of wheat this crop year, as against 46 million bushels in 1946-47 and 56 million bushels in 1945-46.

However, particularly in New South Wales where a record crop, now estimated at 98 million bushels (20 million bushels greater than the previous record crop) was harvested, it is doubtful whether the railways will be able to move all the wheat to the seaboard before the 1948 harvest commences. At present the New South Wales railways are concentrating on moving bulk wheat and there is little doubt that the silos will be cleared prior to the commencement of the next harvest. There are, however, very large quantities of bagged wheat still stored in country centres and, unless these can be moved more expeditiously than at present, it is unlikely that exports will reach the level suggested above, and, consequently, the carryover in December may be greater than the 17 million bushels predicted.

The acreage sown to wheat for grain in Australia in 1947 has been estimated at approximately 14 million acres. At this stage it is impossible to forecast the area to be sown this season with any degree of accuracy. However, there is no doubt that there will be some decline in the area sown in New South Wales, where a record area estimated at 5,100,000 acres was sown last season. On the other hand, the latest reports indicate some increase in the area likely to be sown in Victoria. There is also considerable scope for expansion of wheat acreages in the other two major wheat-producing States, South and West Australia, in both of which last year's area was below the pre-war average. Taken over-all, it appears likely that the area to be sown for grain this year will be between 13 and 14 million acres. Average yields from such an area would result in a crop somewhere in the vicinity of 170 million bushels, approximately 80 million bushels of which would be required for home consumption, leaving 90 million bushels for export.

Wheat Prices and the International Wheat Agreement.

It is not here intended to discuss the provisions of the International Agreement recently reached between Canada, the United States and Australia and thirty-three importing countries (and which, at the time of writing had not been ratified by several countries, including the United States and Australia) but merely to discuss, in general terms, the prices which growers have recently been receiving and the prices they may expect to receive for their wheat in the future.

There is no longer any world parity price for wheat. Most wheat is sold on a Government to Government basis, much of it under contracts of several years' duration. Differential prices are common and at the present time Australia is supplying wheat at at least four different prices, to—

New Zealand at 6s. 4d. per bushel;
United Kingdom at 17s. per bushel;
India at 18s. 6d. per bushel;
All other wheat at 20s. 6d. per bushel (f.o.b.).

Australia is by no means the only country selling wheat at several different prices, and the fact that a world parity price no longer exists can be further demonstrated by quoting leading exporters' prices at the present time (prices are f.o.b.) for wheat other than that sold under contracts already referred to:—

	Per bushel. s.	d.
Canadian	17	0¾
Argentine	30	3
Australian	20	6

The Australian export price has risen consistently since the early war years. At the outbreak of war the price was approximately 2s. 6d. per bushel. The rise was particularly spectacular in 1946 and 1947. Table III sets out official export prices in 1939 and since 1942 until early in 1948. On 1st January, 1948, the Australian Wheat Board's price was 19s. 5¼d. for bulk wheat, f.o.r. principal ports; this price was increased to 20s. 5¼d. on 16th January and has since remained at that figure.

TABLE III.

Export Wheat Prices: Australia.

(Pence per bushel.)

Month.	1939 (*a*)	1942.	1943.	1944.	1945.	1946.	1947.	1948.
January	29·00	(50·00)	51·00	57·00	77·00	(116·00)	164·25	244·25
February	29·05	50·00	51·00	57·00	77·00	118·50	173·50	250·00
March	27·19	50·00	51·00	57·00	(*b*)	122·00	187·00	250·00
April	28·12	50·00	51·00	57·00	(*b*)	122·00	194·00	...
May	30·28	(50·00)	51·00	60·00	(*b*)	122·00	194·50	...
June	28·68	50·00	51·00	60·00	(*b*)	122·00	196·00	...
July	26·15	50·00	51·00	60·00	(*b*)	125·75	196·00	...
August	24·98	(50·00)	(51·00)	66·00	(*b*)	134·00	196·00	...
September... ...	29·93	(50·00)	51·00	69·00	(*b*)	134·00	204·00	...
October	32·00	(50·00)	51·00	75·00	(*b*)	141·00	219·75	...
November... ...	(32·00)	50·00	54·00	75·00	(*b*)	149·50	238·00	...
December	35·50	50·00	57·00	75·00	116·00	164·00	238·00	...
Average ...	29·37	50·00	51·75	64·00	...	130·90	200·08	...

The figures shown in brackets are nominal.

(*a*) Weighted average shippers' limits for growers' bagged and bulk lots, Sydney, Melbourne and Adelaide.

(*b*) No sales.

The price received by the grower has not approached the export price in recent years because (i) a large proportion of the crop is sold for home consumption at a price which has been lower than the price received for export since late 1944, and (ii) a tax has been placed on export wheat since (and including) the 1945-46 crop to provide for a stabilisation fund with the purpose of maintaining a certain minimum return to growers should the export price fall below the home consumption price. Returns to growers on all pools are given in Table IV (supplied by the Australian Wheat Board). It should be noted that Pools 9 to 11 are not yet finalised. In the Case of Pool No. 11 further substantial payments will be made.

Table IV.

Advances Declared by Australian Wheat Board.

	1st.	2nd.	3rd.	4th.	5th.	6th.	7th.	Total.
No. 1 Pool—Date	-/10/39	-/4/40	-/9/40	9/4/41				
	s. d.	s. d.	s. d.	s. d.				s. d.
1938-39—Bag ...	2 0	0 8	0 1·75	0 0·158	...	...	...	2 9·908
Silo ...	2 0	0 6	0 1·75	0 0·158	...	...	...	2 7·908
No. 2 Pool—Date	28/12/39	8/8/40	12/12/40	3/7/41	14/10/42			
	s. d.	s. d.	s. d.	s. d.	s. d.			s. d.
1939-40—Bag ...	2 10·5	0 4	0 3	0 1·125	0 1·333	...	...	3 7·958
Silo ...	2 8·5	0 4	0 3	0 0·125	0 1·333	...	...	3 5·958
No. 3 Pool—Date	28/12/39	8/8/40	12/12/40	3/7/41	14/10/42			
	s. d.	s. d.	s. d.	s. d.	s. d.			s. d.
1939-40—Bag ...	2 7·5	0 4	0 3	0 1·125	0 1·333	...	...	3 4·958
(2nd Grade) Silo ...	2 5·5	0 4	0 3	0 1·125	0 1·333	...	...	3 2·958
No. 4 Pool—Date	18/12/40	10/7/41	25/11/41	17/6/42	11/11/42	8/8/45		
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.		s. d.
1940-41—Bag ...	3 0	0 4	0 3	0 3	0 1·25	0 1·125	...	4 0·375
Silo ...	2 10·5	0 4	0 3	0 3	0 0·75	0 0·25	...	3 9·5
No. 5 Pool—Date	29/12/41	16/6/43	11/1/44	24/5/44	5/6/45			
	s. d.	s. d.	s. d.	s. d.	s. d.			s. d.
1941-42—Bag ...	3 0	0 3	0 4	0 3	0 2·625	...	...	4 0·625
Silo ...	2 10	0 3	0 4	0 3	0 1·125	...	...	3 9·125
No. 6 Pool—Date	23/12/42	13/4/44	7/12/44	22/6/45	12/12/45	27/5/47		
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.		s. d.
1942-43—								
Quota—Bag ...	4 0	...	...	...	0 7·5	0 1	...	4 8·5
Silo ...	3 10	...	...	...	0 6·5	0 1	...	4 5·5
Non-quota—Bag ...	2 0	1 0	0 6	0 5	0 9·5	...	...	4 8·5
Silo ...	1 10	1 0	0 6	0 5	0 8·5 (N.B.)	...	...	4 5·5
No. 7 Pool—Date	20/12/43	7/12/44	10/7/45	4/6/46	4/6/46	2/10/46	18/2/47	
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1943-44—								
Quota—Bag ...	4 1·333	...	...	...	1 0·5	0 3·9	0 0·5	5 6·233
Silo ...	3 11·333	...	...	...	1 0	0 3·9	0 0·5	5 3·733
Non-quota—Bag ...	2 1·333	1 0	0 7	0 5	1 0·5	0 3·9	0 0·5	5 6·233
Silo ...	1 11·333	1 0	0 7	0 5	1 0 (N.B.)	0 3·9	0 0·5	5 3·733
No. 8 Pool—Date	20/12/44	10/7/45	16/7/46	16/7/46	13/5/47			
	s. d.	s. d.	s. d.	s. d.	s. d.			s. d.
1944-45—								
Quota—Bag ...	4 1·333	...	...	0 10	0 1·5	...	...	5 0·833
Silo ...	3 11·333	...	...	0 9	0 1·5	...	...	4 9·833
Non-quota—Bag ...	3 0	0 9	0 4·333	0 10	0 1·5	...	...	5 0·833
Silo ...	2 10	0 9	0 4·333	0 9 (N.B.)	0 1·5	...	...	4 9·833
No. 9 Pool—Date	18/12/45	27/8/46	11/12/46	13/5/47	9/10/47			
	s. d.	s. d.	s. d.	s. d.	s. d.			
1945-46—Bag ...	4 4	1 0	0 6	0 6	0 2·25	...	...	...
Silo ...	4 1	1 0 (N.B.)	0 6	0 6	0 1·75	...	...	...
No. 10 Pool—Date	4/12/46	23/6/47	18/11/47	18/3/48				
	s. d.	s. d.	s. d.	s. d.				
1946-47—Bag ...	4 4	1 6	1 0	1 3	...	...	...	...
Silo ...	4 1	1 6 (N.B.)	1 0	1 0	...	...	...	...
No. 11 Pool—Date	1/12/47	A further advance of 2s. per bushel (less freight) is to be paid on 3/6/48.						
1947-48—Bag ...	5 0							
Silo ...	4 6	...	...	...	...	...	...	...

No. 1 Pool.—First Advance 1s. 4d. nett everywhere. Adjusted to 2s. 8d. and 2s. 6d. F.O.B. at time of 2nd Advance. Total payment on F.O.B. basis.

Nos. 2, 3, 4 and 5 Pools.—1st Advances "Basis Trucks Sydney."

Nos. 6, 7 and 8 Pools.—Payments and 1st Advances "Basis Country Sidings." Certificates issued for Wheat in excess of Quota.

N.B.—The following advances were subject to deduction for rail freight.
Nos. 6 and 7 Pools, 5th Advance.
No. 8 Pool, 4th Advance.
Nos. 9 and 10 Pools, 2nd Advance.

The world supply/demand situation outlined earlier in this article would suggest that wheat export prices are hardly likely to increase in the future; rather may they be expected to fall. On the other hand, Argentina is demanding, and obtaining, nearly 10s. per bushel more than Australia for her wheat, and if Australia liked to drive a hard bargain she might obtain a higher price for her wheat than she is at present receiving. But such a price, irrespective of any International Agreement, would be only of a very temporary nature. There can be little doubt that, unless completely unforeseen circumstances arise, the price of wheat will begin falling in the near future. This is not to suggest the fall is going to be substantial and rapid, nor that prices will fall below those fixed in the International Agreement as a maximum in the first year of that Agreement. This hardly appears likely.

In the event of the International Agreement being ratified, Australia will be required to supply 85 million bushels per year for five years (subject to certain escape clauses in the event of a small crop) at certain prices which may vary between fixed maximum and minimum limits. In the first year of this Agreement, commencing 1st August next, this will mean that Australia will have to accept considerably less for her wheat (including wheat being supplied to the United Kingdom and India under contract and which is delivered after 1st August), than would otherwise have been the case. The return on wheat exported in the first year of the Agreement is likely to be in the vicinity of 12s. per bushel, but the exact figure will depend largely on the quantities of wheat delivered to the United Kingdom and Europe and the quantities delivered to India and other Eastern countries. The Agreement is such that Australia will receive slightly more for wheat sold to countries in the Near-North than to European countries.

What future prices will be and whether the open market price will be above or below the minimum agreed prices in the later years of the Agreement is, at this stage, impossible to forecast, but it does seem that, in view of world needs and the probable production of wheat and other grains within the next few years that the free market price will not fall below the fixed minimum price at least during the first two to three years of the Agreement.