

3

# 1948 Wheat, Flax AND - SOYBEAN OUTLOOK

Agricultural Outlook Series No. 4

UNIVERSITY OF MINNESOTA

DOCUMENTS

D. C. Dvoracek

SEP 17 1976

ST. PAUL CAMPUS LIBRARIES

- The world food supply is short.
- Production in many foreign countries is still less than prewar.
- Total world wheat production in 1947 was almost as great as prewar, but the world population increased 5 to 10 per cent.
- Feeding wheat to livestock should be limited as much as possible.
- Price supports on wheat, flax, and soybeans will continue through 1948.
- The demand for drying oils is strong.

## LOOKING AHEAD



UNIVERSITY OF MINNESOTA  
*Agricultural Extension Service*  
U. S. DEPARTMENT OF AGRICULTURE

This archival publication may not reflect current scientific knowledge or recommendations.  
Current information available from University of Minnesota Extension: <http://www.extension.umn.edu>

# *Wheat Supply Short... World Need Great*

## **Supply**

The world wheat crop for 1947 is estimated at nearly 6 billion bushels. This was almost as large as the annual average 1935-1939 world crop. Wheat production in Europe in 1947 was 17 per cent less than a year earlier and 32 per cent less than the 1935-1939 annual average. Winterkilling and drouth did considerable damage to a much-needed crop. The record 1947 crop of 1.4 billion bushels in the United States helped offset the lower production in other parts of the world. This was the largest United States wheat crop in history, and the fourth record crop in succession. However, this large supply is not sufficient to meet our own demand and foreign needs fully until another wheat crop can be harvested.

The prospects for the 1948 winter-wheat crop are not as good as in recent years. Lack of rain and delayed seedings in the main winter-wheat area of the southwestern United States may result in a much smaller 1948 crop; however, it may still equal the 1936-1945 annual average crop. With this prospect of a smaller winter-wheat crop, greater dependence for wheat will rest on the spring crop. This situation will justify considerably larger seedings of spring wheat in 1948.

The short supply situation suggests that farmers should do everything possible to save feed through efficient feeding and avoiding waste. It will also be helpful to limit feeding of wheat to livestock as much as possible because it is so greatly needed for domestic human food and for export to distressed European areas. Feed can be saved and production costs will be lower if livestock is marketed at lighter weights and with less finish.

## **Demand**

The world population has increased 5 to 10 per cent over prewar. Grain production has not recovered as fast as was expected in war-torn countries because of shortages of fertilizer, machinery, and man power. Unfavorable weather and disrupted transportation and marketing facilities have also hindered recovery.

Wheat is second only to rice as an important world cereal food. However, it plays a much larger part in world trade than rice does. Production of wheat and rye (bread grains) in importing countries is below average and below that of 1946. More food grains will be needed in foreign countries during 1948 than will be available from exporting countries. The extent to which needs of importing countries will be satisfied will depend on how much grain exporting countries can spare. It will also depend on ability of importing countries to pay. These countries are short of United States dollars and are not producing enough goods to exchange for goods bought.

Demand for wheat in the United States depends on national income and the willingness of consumers to buy at high prices. The consumer at home is asked to consume less bread to liberate more wheat for export. A short corn crop has also created a stronger demand for wheat to feed to livestock.

Minnesota spring wheat makes up 9 per cent and winter wheat  $\frac{1}{2}$  per cent of the total wheat produced in the United States. Spring-wheat production in Minnesota has decreased since the early 1920's, except for an increase in the Red River Valley. Winter-wheat production has declined from a peak in the late 1930's. An increase in production of spring wheat in Minnesota is suggested.

# *Flax to Compete with Food Grains*

## **Supply**

Flax production in the United States in 1947 was 39.5 million bushels and 23 million bushels a year earlier. The 1935-1939 annual average was only 11 million bushels. Minnesota leads all states in flax production, with 15,686,000 bushels in 1947. In 1948 the need for feed crops may result in strong competition with flax from corn, oats, barley, and wheat. Flax should be grown on land well adapted to it. Weeds are a difficult problem on some land.

## **Demand**

The demand for drying oils is expected to continue strong through 1949. The construction of homes will continue at a high rate and much paint and oil will be needed. Supplies of linseed oil continue short. This has resulted in a strong upward pressure on prices.



## **Prices**

The support price of \$6 per bushel, Minneapolis basis, announced a year ago has been extended to cover the 1948 crop. Government crop insurance will again be available in 26 principal flax-producing counties in Minnesota. Prices of flax are expected to continue high through 1948, and considerably above the support level. Prices received by Minnesota farmers for flax in November, 1947, averaged \$6.54 per bushel.

## **Wheat Prices**

Recent price rises were due to three influences: (1) the demand for wheat in the United States for both human food and feed for livestock; (2) the need for wheat in hungry Europe; and (3) the short corn crop in this country. These high prices can be expected to continue as long as larger-than-normal quantities of wheat are exported. The amount of wheat exported will depend on the amount of food help given under a program of foreign aid and the rate of recovery in importing countries. Over a longer period of time, wheat prices can be expected to decline as Europe and other importing countries get on their feet and exports of wheat from the United States decline. Prices received by Minnesota farmers for wheat late in 1947 were at the highest level on record.

## *Soybeans*

### **Supply**

Production of soybeans in the United States in 1947 was down 10 per cent from 1946, but was still about 50 per cent above the 10-year average. Minnesota produced nearly 14 million bushels in 1947 compared with 11 million bushels a year earlier. Soybean production in Minnesota should be confined to areas where high yields are obtained and production costs are low; Minnesota must compete with areas further south where conditions are more favorable.

### **Demand**

Demand for soybeans in 1948 is expected to remain about the same as in 1947. Soybean oil is being substituted quite extensively for linseed oil in paints and varnishes. It also furnishes a large share of the oil used in margarine. Supplies of oilseeds at European crushing plants are far below prewar.

### **Prices**

Minnesota farmers received \$3.35 per bushel for soybeans in November, 1947; the support price was \$2.09. Soybean prices will be supported at 90 per cent of parity from September 1, 1948, to December 31, 1948. Soybean prices in 1948 are likely to continue well above the support level.

---

UNIVERSITY FARM, ST. PAUL 1, MINNESOTA

Cooperative Extension Work in Agriculture and Home Economics, University of Minnesota, Agricultural Extension Division and United States Department of Agriculture Co-operating. Paul E. Miller, Director. Published in furtherance of the Act of March 3, 1914.

UNIVERSITY OF MINNESOTA

3 and June 30, 1914.

12M-1-48



3 1951 D02 390 447 U