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XII. OUTSTANDING FEATURES OF THE YEAR

Even in peacetime there is no clear division between food grains, on the one hand, and feed grains on the other. Not only do many of the less prosperous countries depend heavily on corn and barley for human consumption, but many of the principal wheat-eating nations use substantial amounts of these two grains for alcoholic beverages, while several use additional substantial quantities of corn in the form of meal.

Under war conditions, even the distinctions between food grains and feed grains that seem fairly clear in peacetime tend to disappear. We have already noted, for example, that more wheat was used for feed in the two North American exporting countries in 1943-44 than was consumed there as food. In Europe, on the other hand, wartime shortages of wheat and rye have been offset in recent years by legally required admixtures of corn, barley, and (occasionally) oats in bread flour.

Faced with the current great difficulty of distinguishing between food grains and feed grains, we have discussed under Part 1 not only the three principal food cereals of the peacetime world (wheat, rye, and rice), but also corn, barley, and other major feed grains in so far as these contributed substantially in 1943-44 to the food consumption of the countries considered. There remain for detailed discussion in Part 2 only the feed-grain problems of the overseas exporting countries; and since Australia is such an unimportant producer and user of feed grains, the following chapters cover only the United States, Canada, and Argentina.

In the two North American exporting countries domestic feed-grain supplies were notably large in 1943-44—smaller only than the record supplies of the preceding year. In both countries livestock numbers reached new record heights, and relationships between livestock prices and feed prices encouraged heavy feeding of grain per animal unit. Under these conditions, domestic disappearance of feed grains was unprecedentedly large in both Canada and the United States. Indeed, in the United States the demand for feed grains was so heavy that the general feed-grain position became exceedingly tight. Canadian feed-grain prices were kept at moderate levels by maximum price regulations; but in the United States government policies were reflected in sharply inflated grain prices and in various price maladjustments.

To meet the great demand for feed in deficit areas in the United

States, considerable quantities of oats and barley (as well as of wheat and rye) were imported from Canada. Canadian *net exports* of feed grains were the largest on record and United States *net imports* were larger than ever before except in the drought year 1936-37. At the end of 1943-44 feed-grain carryovers in the United States and Canada were substantially smaller than a year earlier, and the United States carry-over was only about half the size of the record year-end stocks of 1940 and 1941. Nevertheless, the feed-grain carryovers in North America in 1944 were well above prewar average levels and probably larger than immediately needed in view of the excellent new grain harvests secured by both Canada and the United States.

The feed-grain position of Argentina in 1943-44 stood out in marked contrast to that of the two major producers of North America. Early shortage rather than abundance of supplies characterized the Argentine position because of the notably poor corn crop harvested in April-May 1943. That crop, the smallest since 1917, amounted to no more than a fifth of the high annual average production of the three preceding years. And since corn normally represents almost 85 per cent of Argentina's total production of feed grains, the small corn crop harvested in 1943 could not be compensated for by relatively large crops of other grains. Yet Argentina had ample supplies of feed grains in April-March 1943-44 for her own record livestock population, for the diversion of about a million tons of corn to fuel, and for small exports to the limited foreign markets still open to grain shipments from that country. The policy of the Argentine government in 1943-44 was to restrict corn exports and to subsidize the use of inferior wheat for fuel in order to conserve sufficient quantities of corn for feeding and for other normal domestic uses.

After April-May 1944, when a good new corn crop was harvested in Argentina, the feed-grain position of the country eased. With feed-grain supplies larger than on the average in prewar years and with shipments to Europe restricted by blockade conditions and shortage of tonnage, the Argentine government faced anew the problem of maintaining feed-grain prices. To meet this problem, the government established a guaranteed minimum price for new-crop corn, which was initially fixed at a level above the prevailing market prices of old-crop grain.

XIII. UNITED STATES: HUGE FEED REQUIREMENTS

Record livestock numbers and economic factors that encouraged heavy feed use of grain per animal unit resulted in an unusually large demand for feed grains in the United States in 1943-44. The national feed position was therefore tight despite near-record domestic supplies of feed grains, large imports of oats and barley from Canada, and additional heavy sales of Commodity Credit Corporation (CCC) wheat for feed purposes.

PRODUCTION OF MAJOR FEED GRAINS

The 1943 feed-grain crop of the United States was the third largest on record—smaller only than the crops of 1920 and 1942. Moderately good weather and increased planting of hybrid corn were the chief factors responsible for the heavy production. Although the harvested area of the four principal feed grains was substantially above the restricted levels of the five preceding years, it was considerably smaller than in most other interwar years and well below the inflated wartime acreages of 1917 and 1918.

The important corn crop (normally about 75 per cent of the aggregate feed-grain production) exceeded the 3-billion-bushel mark for the fourth time in the country's history (Table 40). Acreage limitations under the agricultural adjustment program, which had effectively kept sowings of corn down in recent years, were first relaxed and later abolished for 1943. Freed from the earlier restrictions, farmers expanded their plantings of corn by 6 million acres, or 7 per cent, over the preceding year and by a similar amount as compared with average sowings in 1938-42. But this expansion would not have resulted in a 3-billion-bushel crop if the national yield of corn per acre had not been abnormally high. For the third year in succession, the yield was above 30 bushels, and this level was again exceeded in 1944. Earlier official forecasts of the last two corn crops were sharply raised during the growing seasons of these crops; successive forecasts in July-October showed a net increase of 349 million bushels for the 1943 crop, an increase of 217 million for the crop of 1944 (Chart 31, p. 155).

Without favorable weather, these yields could not have been secured. But the enterprise shown by American farmers in rapidly increasing their use of hybrid-corn seed also tended to raise the level of corn yields. In 1933 only 0.1 per cent of the corn acreage in the United