

Statement of the Combined Food Board Cereals Committee (London, 3 April 1946)

Caption: On 3 April 1946, during the London Conference on supplies of cereals to Europe, the Combined Food Board Cereals Committee issues a situation report on supplies to Europe and gives an account of the work done by this body since its inception.

Source: Emergency Conference on European Cereals Supplies held in London from 3rd to 6th April 1946. London: 1946.

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Statement by the Representative of the Combined Food Board Cereals Committee on Current Cereals Situation (London, 3 April 1946)

The Committee on Cereals of the C.F.B. at its third (1946) meeting held 8 and 11 March, reviewed the supply and requirement position for bread grains, including flour, and for other grains that might be used as bread grain substitutes during the six months' period, January–June 1946. It was noted that the statistical position had deteriorated considerably, as compared with earlier indications, due largely to the reduced availability from Argentina and the United States and the sharply increased requirements.

The crux of the problem is found in an abnormally increased demand that required for fulfilment shipping on the basis of over 100,000 tons per day for a period of six months. Supplies, actuality, are at a high level for this season of the year, compared with past records. Shortages due to the dislocations of the war and even the southern European and North African droughts of 1945 could possibly have been met by strenuous efforts of the suppliers. When the additional needs of UNRRA were expressed at the turn of the year, the demand position was clearly out of line with supply, but subsequently catastrophic crop conditions in India and heavy demands from Japan have made the problem insoluble in full.

In the elapsed part of the six-month period, the movement to claimant countries has not been proportionate to the stated requirements or even the estimated supplies, indicating the need of renewed efforts on the part of supplying countries, and, in many importing countries, the possibility of getting along with smaller requirements than presently stated.

As to 'probable distribution' of the available supplies in such a deficit position, agreement could hardly be expected from the Cereals Committee, including as it does the representatives of most of the claimant countries. It might be noted in this connection that there are supplies available to meet only *about three-fifths of the overall stated requirement*.

The position as it now appears, together with agreed recommendations regarding possible measures to reduce the deficit and factors to be taken into account in programming available supplies against requirements, is as follows:

1. Requirements

(a) The total stated requirements for bread grains and flour during the January–June 1946 period amounted to 19.6 million long tons as of 1 April 1946. If allowance is made for the expected shortfall in rice during the April–June quarter, the total stated requirements of cereals will be increased to approximately 21 million long tons.

(b) The magnitude of the stated requirements for the six months' period is apparent when it is noted that the average (1935/39) annual world trade in wheat and flour was around 15 million tons, and that in very few years has world trade ever reached in a 12-month period the volume now requested for six months. With an estimated 12.5 million tons shipped during the July–December 1945 period, these actual exports plus stated requirements total around 32–33 million tons for the 1945/46 season, a movement never before approached in the history of the world wheat trade.

(c) Factors contributing to the abnormal nature of the requirements this season which come almost entirely from countries that were formerly surplus producers or in a large measure self-sufficient include: (1) the unusual drought conditions in the Mediterranean area and part of the Balkans, India and South Africa; (2) reduced seedings due to weather conditions and war operations in 1944/45; (3) land reform measures, transfers of population, requisitions of draft power and equipment suddenly carried out in large sections of central and eastern Europe during the 1945 harvesting and seeding periods; (4) reduced crops of feed grains and of rice; and (5) increased purchasing power and demand for wheat and flour from many countries.

(d) Approximately 56 per cent. of the stated requirements originate in Allied countries (including 27 per cent. in the British Commonwealth), 22 per cent. in UNRRA countries, 18 per cent. in the occupied zones,

and 4 per cent. in neutral countries.

2. Supplies

(a) The total available supply of wheat, including flour, for export during the six months January–June 1946, is currently estimated at about 11,400,000 tons. Because of uncertainties of transport and availability in the four exporting countries actual exports may be somewhat below or above this figure.

(b) Presently stated availability of wheat substitutes, *i.e.*, rye, corn, barley and oats, during the January–June 1946 period are estimated at about 1,300,000 tons. Of this quantity approximately half is maize with the remainder divided among rye, barley and oats. The total of these other grains available for export during this period is sharply below normal supplies of such grains. Reduced crops of some of these grains in 1945 and active livestock needs in exporting countries have curtailed export availability.

(c) The supplies of wheat for export during the first half of 1946, together with shipments for July–December, 1945, exceed the average (1935/39) annual net world export trade in wheat and flour by approximately 60 per cent. Accordingly, it must be emphasized that the deficit position has arisen primarily out of abnormal requirements rather than reduced supplies for export.

(d) Practically all of the export supplies of wheat and also wheat substitutes available for shipment are in the four countries of Canada, United States, Argentina and Australia. North America accounts for around 80–85 per cent. of the estimated wheat and flour available during the January–June 1946 period.

3. Conclusions and Recommendations regarding the deficit

With stated requirements totalling about 20 to 21 million tons and the estimated available supply of wheat and wheat substitutes at nearly 13 million tons, there is an apparent deficit of about 7 to 8 million tons for the six months, January–June 1946. Thus estimated availability represents only about 60 per cent. of the stated requirement. Recognizing that there is no possibility of stated requirements being met in full during the January–June 1946 period, it is agreed that every effort should be made by exporting countries to maximize shipments and by importing countries to reduce requirements to the lowest possible levels in order that the deficit may become more manageable. To this end the Committee on Cereals recommends:

(1) That both exporting and importing countries institute grain conservation measures to ensure the maximum quantities available for direct human food use.

(a) In exporting countries the need also,

(i) for immediate steps by effective agencies to procure and move to seaboard bread cereals and other grains as substitute therefore;

(ii) for measures to minimize the industrial and feed uses of the bread cereals;

(iii) in so far as practicable the expansion of production.

(b) In importing countries, where the main effect of the bread grain deficit will, of course, be felt, the principal conservation measures appear to include maximum collections of all indigenous grain supplies, higher extraction rates, reduced livestock feeding and liquidation as may be necessary, notably of poultry and hogs and even reduced bread consumption. Measures which now apply to safeguarding wheat for food should be extended to include rye, barley, corn, mixed grains, and oats.

(2) That vigorous steps be taken to help maximize Argentine grain supply availability and its export for direct human consumption.

- (3) That the Soviet Union be requested to make available part of its supplies to deficit countries, particularly those in eastern Europe.
- (4) That among factors to be taken into account in determining the extent to which stated requirements of each claimant can be met from exporting countries, special consideration be given to:
- (a) The food position of the country as indicated by bread consumption and rations, related to all other foods available.
 - (b) The indicated bread grain supply position and extent to which conservation measures have been adopted.
 - (c) The numerical levels of livestock and their relationship to pre-war levels, particularly hogs and poultry, and the extent to which claimant countries are utilizing indigenous grain supplies for livestock feeding.
 - (d) The special commitments between various grain exporting and importing countries.
 - (e) The caloric food position as at present indicated and pre-war levels, particularly for urban consumers.
 - (f) The period of harvest and availability of new crop supplies.
 - (g) The maximum food use of other grains as wheat substitutes, notably corn, rye, barley and oats, moving in international trade (in accordance with the Committee's resolution adopted at its first 1946 meeting 8–11 January 1946).