

AN ANALYSIS OF THE ISSUES INVOLVED IN  
CHANGING THE GRAIN STANDARDS

by 45

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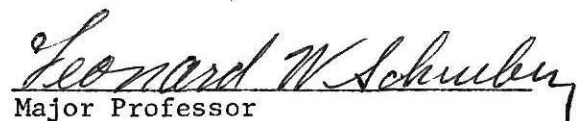
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## I. INTRODUCTION

This report reviews the history and changes in Grain Standards. Special attention is directed to an analysis of the main issues that were presented at the 1964 hearing to consider revisions of the Grain Standards. Also, it will consider unresolved issues that may result in further revision in the grades at some future date.

In the last fifteen years the world wheat market has done an about-face from a seller's to a buyer's market. Following World War II, the need for wheat was critical in many countries. Most overseas buyers did not make special demands related to protein content, mixing strength, less cleanout, or other quality characteristics. Those who could afford it bought Canadian Manitoba to provide milling and baking quality in their blends.

The picture began to change about 1954. Wheat production increased in deficit areas. France and Italy began to produce more than enough to meet domestic requirements. The economies of devastated countries like Japan and Germany recovered rapidly and they became the second and third largest dollar markets in U.S. wheat. Both are now in a position to buy the types and quality wheat they want. Since 1957, Japan has been the most important dollar market for U.S. wheat. The U.S. share of the market has fallen from 68 percent in 1954 to 40 percent in 1962. During this same period, cash sales of Canadian hard wheat to Japan have risen by 20 to 30 percent.