

STATE COLLEGE OF WASHINGTON  
AGRICULTURAL EXPERIMENT STATION  
PULLMAN, WASHINGTON

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Division of Farm Management and  
Agricultural Economics

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Wheat Exporting from the  
Pacific Northwest

by

JOHN B. WATKINS

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## SUMMARY

The region covered by this investigation includes Washington, Oregon and all of Idaho except that portion of southern Idaho from which the wheat moves east by rail through the Ogden gateway.

The first wheat grown in the Pacific Northwest was raised at Vancouver, Washington, in 1825.

The first record of an outside shipment was a few barrels of flour sent to the Russian fur posts in Alaska in 1836. Small shipments continued in a limited way to Alaska, Hawaii, and the Orient.

The gold rush of California in 1849 developed the first important external market for Pacific Northwest wheat and flour. This was shipped both by water and by pack train.

The development of mining in British Columbia, Montana and southern Idaho during the 50's produced a demand that started the agricultural development of the interior.

The first export shipment of flour was made in 1857, and was destined for Japan.

From 1868 to 1874 1,029,705 barrels of flour were shipped from the Columbia River and were distributed to British Columbia, Europe, Australia, Hawaii, China, Brazil, and San Francisco, over one-third going to San Francisco.

Up until 1868 the majority, if not all, of wheat shipments were in the form of flour.

In 1868 the first full cargo of wheat was shipped to Great Britain from the Columbia River, inaugurating the export trade on wheat from the Pacific Northwest. This wheat export trade from the Columbia River grew from five cargoes in 1870 to 136 cargoes in the year 1897-98.

In 1881 the first cargo of wheat was shipped from Puget Sound by the Balfour-Guthrie Company.

The completion of the N. P. and O. W. R. & N. railroads to the coast in 1883 and the development of their branch lines through the Walla Walla and Palouse territories during the next decade resulted in a rapid increase in the amount of wheat produced and the amount available for external shipments.

Shipments increased rapidly during the latter part of the nineteenth century until by 1900 more than 50% of the crop was shipped out and the markets were world wide. Practically all the present markets for the Pacific Northwest wheat crop had been opened up before 1900.

By 1900 all the major wheat producing areas in the Pacific Northwest had been opened up with the exception of the Twin Falls area, but there was an increase in production from an average of 47,620,000 bushels for the years 1900-1905 to an average of 90,992,000 bushels for the years 1920-1925.

The Commercial Review estimates the local consumption for all purposes during recent years to be about 20,000,000 bushels per annum, leaving an estimated average of about 70,000,000 bushels to ship out of the area.

Since 1900, 50.4 per cent of the total crop has moved out by water.

During the last twenty-five years 38.4 per cent of the total crop, or over two-thirds of the water shipments, has been exported from this region, the balance going to continental ports and the Pacific possessions of the United States.

There has been a growing tendency toward exporting wheat instead of flour, particularly to the Irish and Oriental markets, while flour leads in domestic shipments. Shipments of flour exceeded shipments of wheat for export during the war, but wheat has since regained the lead.

Domestic water shipments averaged 1,322,753 bushels of wheat and 7,699,097 bushels in form of flour during 1900-25.

Foreign exports averaged 26,821,896 bushels of wheat and 14,960,461 bushels in form of flour during 1900-25.

California has always been the Pacific Northwest's best domestic customer. Practically the entire movement is by water to San Francisco and Los Angeles. Shipments to California are stabilizing in late years to about 1,500,000 barrels annually.

Shipments through the Panama Canal, chiefly to the Atlantic ports of the southern states amounted to a little less than 190,000 barrels per annum for the years 1922-24.

These continental ports of the United States are taking about 20% of all flour and from 5 to 10% of all wheat shipped by water.

The Pacific possessions of the United States are now taking about 7% of the total flour of the Pacific Northwest. This business has shown the most steady growth of any market or group of markets with the exception of the Orient.

Foreign markets have taken 38.4% of the total crop during the last 25 years. Europe, particularly the United Kingdom, has taken about two-thirds of the wheat exported, while China and Japan have taken about two-thirds of the flour exported. However, Japan is already taking more wheat than flour and China is increasing wheat imports so that it is entirely possible that in the future China and Japan will be the best customers for both wheat and flour.

Russia was the largest soft wheat producer in direct competition with the Pacific Northwest for the European market, but has been practically out of the market during and since the war. Russian exports for 1922-23 were reported as 14,241 bushels, or only about 10% of the pre-war average.

Competition in the Orient comes from northern China, Manchuria, Siberia, Japan, Canada and Australia. Canadian competition in the Oriental business has been felt only during the past three or four years, due to the recent reduction in freight rates from the middle provinces to Vancouver, B. C. and the development of terminal facilities at Vancouver. Hence, Canada may become a stronger competitor in the future.

The most serious competition in the flour trade comes from the Japanese and Chinese native mills.