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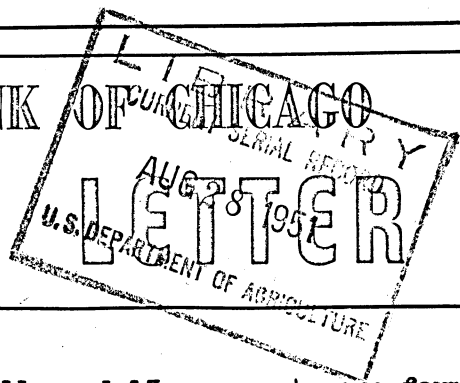
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THE FEDERAL RESERVE BANK OF CHICAGO
AGRICULTURAL LETTER

U.S. DEPARTMENT OF AGRICULTURE
August 24, 1951



Farmers in 1952, according to a USDA survey, will need 15 per cent more farm machinery and 20 per cent more repair and replacement parts than in 1949—a year chosen as a base year on which to determine present and future needs for farm machinery. The indicated 1952 needs are also substantially above the current year's requirements. Therefore, the Department, in its capacity as claimant agency to the Defense Production Administration for farm equipment containing critical materials, is planning to increase its request for farm machinery and parts to be required for 1952 farm production.

Higher beef prices are in prospect during the next few months, according to the Office of Price Stabilization (OPS). This agency has tentatively agreed to raise wholesale beef prices from half a cent to a cent a pound in order to offset the decline in tallow and hide prices. Such action, OPS asserts, is necessary since recent amendments to the price control law require that packers be assured of their pre-Korean war profit margins. The increase at the retail level would be from a cent to a cent and one-half per pound, or around 20 per cent above the wholesale price rise.

Conservation farming pays off! One-third more net income per acre, higher crop yields, and greater returns from livestock—these were some of the benefits of high conservation farming found in a study of 120 farm records made by soil conservation experts in the slowly permeable soils area of northeastern Illinois. Bankers and farmers will find considerable worth-while data in the report AE2808, SOIL IS LIKE A BANK ACCOUNT—KEEP YOUR ACCOUNT BALANCED. Copies may be secured by writing the University of Illinois College of Agriculture, Urbana, Illinois.

The 31st annual convention of the American Soybean Association will be held in Des Moines, Iowa, September 6-8. The program has been designed to provide the latest information on crop conditions, markets, exports, Government regulations, and other subjects pertinent to the 1951 crop.

A merger of Clinton, Iowa, and Quad cities (Davenport, Iowa, and Rock Island, Moline, and East Moline, Illinois) Federal milk marketing orders has been recommended by the USDA. This action was taken because of the close relation between the two markets in which handlers in each area have been serving consumers in the other.

Membership in farmers' marketing and purchasing cooperatives increased by 200,000 during the 1949-50 marketing season to a total of about 6.6 million, according to estimates of the Farm Credit Administration. This increase is less than half the membership increase of about 500,000 made annually for the previous four years.

The United States apple crop is estimated at 121.3 bushels, one per cent under last year but eleven per cent above the 1940-49 average. Summer and fall varieties are more abundant than last year, but output of winter varieties (about 80 per cent of total production) is estimated at six per cent less than in 1950.

USDA has set a winter vegetable acreage goal of 281,600 acres for 1952. This acreage is six per cent above the 1951 harvested acreage, and five per cent above the 1940-49 acreage. Average yields on the recommended 1950 acreage would result in eight per cent more winter vegetables than in 1951.

Norman R. Urquhart, Economist
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