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Farm real estate values are still climbing. The U.S. increase in the four months ending July 1 is estimated by the BAE to be 5 per cent, and the increase from a year ago to be 17 per cent. Trends in Seventh District states are similar to the U.S. average, but with Illinois and Indiana registering 20 per cent increases over the past year. The rise from the 1935-39 average is 144 per cent and values are more than double the 1912-14 level. Nonfarm people account for about one-third of the purchasers, indicating that farms are being purchased both as an inflation hedge and in anticipation of continued high farm income.

Farm product prices declined moderately in August for the sixth consecutive month, the BAE index of prices received by farmers at mid-month being 292 compared with 294 for mid-July. Prices are still well above a year ago, however, when the index stood at 267. The average cost of items purchased by farmers continued at the July level. Price declines occurred for most crops other than fruit, the largest decreases occurring in cotton, truck crops, and oil-bearing crops. Price advances were registered for some meat animals, milk, eggs, and fruit.

The 1951 corn crop will be supported by loans at 90 per cent of the October 1 parity. Current indications are that this will be about nine cents a bushel above the 1950 support, around $1.56 a bushel in Illinois.

The 1952 wheat crop will be supported by loans to growers at not less than $2.17 a bushel, equivalent to $2.49 at Chicago, according to the USDA. The minimum support is 90 per cent of the July 15 (1952) parity. If parity rises the support level will be increased. Support for this year's crop is at a national average of $2.18.

Larger Farmers Home Administration loans are authorized. This agency is now permitted to make loans for farm operating purposes up to $7,000, with provision for further advances to a ceiling of $10,000 outstanding at any one time. The repayment period for such loans is seven years. The previous limits were $3,500 for the initial loan with maximum indebtedness of $5,000 and a repayment period of five years.

Contracting for feeder cattle is beginning to pick up. Recent reports indicate that asking prices are somewhat higher than a few weeks ago and that some buyers are willing to pay them. Bulk of the contracts are reported to range from 30 to 40 dollars depending on the age and weight of the animals. With a decided possibility of soft corn in some areas this fall and a very abundant supply of hay and other roughages, the demand for feeder cattle is expected to be very strong.

The export demand for wheat is very active, about 225 million bushels are scheduled for shipment in the July to December period. Likewise, an active export demand is expected for soybeans during the harvest season when prices are indicated to be near support levels. Some trade comment suggests, however, that prices will advance following harvest, possibly to ceiling levels.

Price weakness in cotton has resulted in demands for stockpiling but the USDA plans to rely on exports of 5 1/2 to 6 million bales to support the domestic market. Larger exports will be authorized if the crop permits.

The USDA recently released data on farm income for commercial family-operated farms of various types in 1950. Return per hour to operator and family in the Corn Belt for cash grain farms was $1.97; hog-beef fattening farms, $2.16; hog-beef raising farms, $1.30; and hog-dairy farms, $1.06.

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