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# Agricultural Letter



Number 819

PRODUCTION OF FRUITS AND VEGETABLES in the Seventh Federal Reserve District is overshadowed by the prominence of livestock and grain. This could hardly be otherwise with Iowa and Illinois ranking first and third, respectively, among all the states in value of livestock and livestock products and Wisconsin ranking sixth. Together, the District states—these three plus Indiana and Michigan—account for more than a fourth of total livestock and livestock products produced in the United States. Similarly, over half of the nation's corn and soybeans and over a third of its oats are grown in this District.

But in some areas, primarily around the perimeter of Lake Michigan and in northern Illinois and southern Indiana, fruits and vegetables account for a substantial proportion of the total receipts from farm marketings.

Soil, climate, topography and available markets are the principal factors determining the location of these specialized areas. Truck garden areas have developed adjacent to major urban centers while the tempering influence of Lake Michigan is the major factor accounting for the development of the intensive fruit production along its shores. Elsewhere, local variations (principally in soils and climate) have been important factors giving some areas advantages in the production, for example, of sweet corn, peas and tomatoes for both the fresh vegetable markets and processing.

Production of vegetables for the summer and fall fresh market is currently estimated to be about 5 per cent more than in 1964, while the production of the major vegetable crops for processing is estimated to be up about 4 per cent.

In general, the condition of the various vegetable crops at this stage of the growing season is reported somewhat less favorable than last year in the specialized producing areas of Michigan and Wisconsin but somewhat more favorable in Illinois and Indiana.

Of the major vegetables for processing, larger acreages are indicated for peas, tomatoes and sweet corn while acreages of lima beans and snap beans are indicated to be smaller. Similar acreage changes are indicated in most District areas. Wisconsin holds top position in most years in production of green peas, sweet corn and beets. Michigan leads in production of cucumbers. Altogether the District produces about half the cucumbers for pickles and green peas for processing and more than two-fifths of the sweet corn for processing.

Fruit production for the nation is indicated to be about 1 per cent below last year. Prospects in Michigan and Wisconsin are considerably less favorable than last

year's record production, largely because of moisture conditions, but output of most fruits is indicated to be well above the average of the previous four years. Of the major fruits produced in Michigan, production of sour cherries and pears are expected to be somewhat more than a third under last year's record output; apple production is indicated to be off about 6 per cent. Grape production, on the other hand, is forecast at 3 per cent above the 1964 output.

Broiler producers have sharply expanded their production in response to the relatively favorable price experience during the first part of this year. Prices for broilers at farms averaged about a cent a pound above a year ago through midyear although broiler production exceeded year-ago levels by 3 to 4 per cent. Sharply rising hog and cattle prices during the first half of 1965 appear to have been the major factor supporting broiler prices. As the prices of red meats increased, housewives tended to substitute increasing amounts of poultry meat in their meals.

Since midyear, slaughter has exceeded the 1964 level by a significantly larger margin and prices have trended downward. Fourth quarter output probably will continue to substantially exceed year-ago levels as both eggs set for broiler chick hatch and chick placements have continued strong. Rapidly increasing production through the remainder of the year is expected to push prices under 1964 levels.

In addition to the upsurge in broiler production this year, the more favorable prices have also encouraged large additions of pullet chicks to broiler hatchery supply flocks during the first half of 1965. This expansion will greatly enlarge broiler breeding flocks during the remainder of the year. U. S. Department of Agriculture estimates indicate that such layers producing hatching eggs could rise to about 12 per cent above year-earlier levels by year-end. This would create strong pressures for large increases in broiler production and resulting low prices well into next year.

Roby L. Sloan  
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