



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

2819
F313
cop. 2

LIBRARY
CURRENT SERIAL RECORD
MAY 16 1949
U. S. DEPARTMENT OF AGRICULTURE

THE FEDERAL RESERVE BANK OF CHICAGO

AGRICULTURAL LETTER

Omaha, Nebraska
April 25, 1947

College specialists on food told a meeting of the Midwest Economic Association here today that the world food situation is only slightly better than a year ago, that in some countries caloric intake is still only 60 per cent of prewar, and that another year of large exports is in prospect. They said that political considerations will outweigh needs in the allocations of food supplies abroad. For example, Greece would be favored over Yugoslavia. Financial considerations rather than the acuteness of needs would also be a factor in determining who gets food from the U.S. and other supplying countries. Food crises have made the western world more conscious that food shortages are chronic in many parts of the world. One speaker pointed out that in 200 years the world's population has risen from 600 million to two billion. He said that in the Americas, Western Europe, and Oceania food supplies are growing faster than population and the demand for food, but that in other areas such as India and Russia, population grows faster than food production. As a result, the long-run prospect is for social unrest and upheaval in such areas.

The U.S. will probably be in a position to continue or even possibly exceed current high levels of grain exports in the forthcoming crop year, according to USDA officials. Assuming a 1947 crop of 1.3 billion bushels of wheat, and domestic use as food, feed, and seed of 800 million bushels, a total of 500 million bushels would be available for export and carry-over stocks. But before the new crop comes in, the wheat situation will continue "tight," and May prices could set new high records.

Secretary Anderson last week took occasion to emphasize that current high food and farm prices are not due to the price support program. Criticism in some quarters had blamed the price supports for the high cost of living. BLS wholesale prices of farm commodities and foods declined over two per cent from mid-March to the middle of April.

A "practical" farm policy and program was outlined by Secretary Anderson before the House Committee on Agriculture Monday. Anderson said that it ought to be a "practical objective" for farm policy to utilize not only present production but expanded farm output in meeting the "reasonable needs of our own people and reasonably expected export and industrial markets." The joker in this recommendation is that back of his definition of "reasonable needs" is the assumption of everybody buying as food and fiber what people with "good incomes" (\$2,000 per family at 1941 prices) are buying.

Civilian stocks of canned vegetables (peas, sweet corn, tomatoes, green and wax beans) on April 1 were 15 million cases, nearly double the stocks of last April, according to the American Cannery Association. Biggest increase is in canned peas. However, the 1946-47 pack for civilian supplies was only 112 million cases compared with 97 million in the 1945-46 season.

USDA says the European corn borer in 1946 cost American farmers nearly 38 million dollars in damage to the corn crop. The borer has now spread clear across the Corn Belt to North and South Dakota. Four states--Illinois, Iowa, Indiana, and Pennsylvania--accounted for 84 per cent of the total loss.

Government reports on April 1 storage stocks show that holdings of butter, cheese, shell and frozen eggs, pork, and lard were below average, while poultry and fish, frozen fruits and vegetables, and beef stocks were above average.

Walter B. Garver
Agricultural Economist

FARM BUSINESS CONDITIONS
MARCH 1947, WITH COMPARISONS

I T E M S	1947		1946	1940	
	MARCH	FEBRUARY	MARCH	MARCH	
PRICES:					
Received by farmers	(1935-39=100)	261	245	195	96
Paid by farmers	(1935-39=100)	178	172	140	98
Parity price ratio	(1910-14=100)	122	119	116	76
Wholesale, all commodities	(1935-39=100)	183	177	134	98
Paid by consumers - "cost of living"	(1935-39=100)	153 ^a	153 ^b	130 ^a	100 ^a
Wheat, No.2 hard winter, Chicago	(dol.per bu.)	2.81	2.28	-	1.06
Corn, No.3 yellow, Chicago	(dol.per bu.)	1.73	1.42	1.21	.58
Oats, No.3 white, Chicago	(dol.per bu.) .....	.94	.84	.81	.43
Soybeans, No.2 yellow, Chicago	(dol.per bu.)	4.08 ^c	3.35 ^c	-	1.14
Hogs, all purchases, Chicago	(dol.per cwt.)	27.10	25.70	14.80	5.07
Beef steers, good grade, Chicago	(dol.per cwt.)	24.05	23.79	16.37	9.86
Milk, wholesale, U. S.	(dol.per cwt.)	4.34	4.48	3.29	1.84
Butterfat, local markets, U. S.	(dol.per lb.) .....	.74	.68	.51	.28
Chickens, local markets, U. S.	(dol.per lb.) .....	.27	.25	.23	.13
Eggs, local markets, U. S.	(dol.per doz.) .....	.40	.39	.32	.15
Milk cows, U. S.	(dol.per head)	148	144	121	60
Farm labor, U. S.	(dol.per month without board)	107 ^d	-	97 ^d	36 ^d
Factory labor, U. S.	(dol.earned per week)..	46.79 ^a	46.94 ^b	40.58 ^a	25.20 ^a
PRODUCTION:					
Industrial, physical volume	(1935-39=100)	188 ^a	188 ^b	152 ^a	117 ^a
Farm marketings, physical volume	(1935-39=100)	111 ^a	144 ^b	121 ^a	90 ^a
INCOME PAYMENTS: ***					
Total, U. S.	(Annual rate, bil. of dol)	175 ^a	176 ^b	158 ^a	74 ^a
Cash farm income	(Annual rate, bil. of dol)	25	26	20	9
EMPLOYMENT:					
Farm	(millions)	8.6	8.3	8.3	9.1
Non-agricultural	(millions)	48.8	48.6	44.9	34.6
FINANCIAL:					
Demand deposits, weekly reporting member banks**	(bil. of dol.)	38.8	38.7	37.1	19.3
Loans, weekly reporting member banks:					
Total**	(bil. of dol.)	16.9	16.9	15.7	8.6
Commercial, industrial, and agricultural** ..	(bil. of dol.)	11.1	10.7	7.5	4.4
U. S. Government total gross direct debt	(bil. of dol.)	259	261	276	43

^a No. 2 corn. ^a February. ^b January. ^c Last trading day of the month, bid price. ^d April.
^{**} Last Wednesday of the month.
^{***} Not comparable with data published in the January and February issues due to revised seasonal adjustments. Revised figures for the January and February issues are: Total income payments, 1946--January, 160; November, 172; December, 177; 1940--January, 76. Cash farm income, 1947--January, 28; 1946--January, 21; February, 22; December, 29; 1940--January, 10; February, 10.