

tion and prices of leading farm staples in 1920, 1921, and 1922:

TOTAL PRODUCTION AND DECEMBER PRICE OF SELECTED COMMODITIES.

	Production.		
	1922	1921	1920
Corn.....bushels..	2,890,712,000	3,068,569,000	3,208,584,000
Cotton.....bales..	9,964,000	7,953,641	13,439,603
Winter wheat...bushels..	586,204,000	600,316,000	610,597,000
Spring wheat...do.....	270,007,000	214,589,000	222,430,000
Wool.....pounds..	219,095,000	224,564,000	235,005,000
Hogs.....100 pounds..	1 23,690,000	1 22,080,870	1 22,435,301
Cattle.....do.....	1 10,419,000	1 8,676,063	1 9,969,911

	Price.		
	1922	1921	1920
Corn.....bushel..	\$0.657	\$0.423	\$0.670
Cotton.....pound..	.238	.162	.139
Winter wheat...bushel..	1.048	.951	1.486
Spring wheat...do.....	.924	.856	1.304
Wool.....pound..	.946	.873	.5455
Hogs.....100 pounds..	8.269	7.025	9.6625
Cattle.....do.....	10.581	8.2188	12.0638

¹ Yearly receipts at principal markets in United States.

Among the factors affecting the prosperity of the American farmer, domestic demand for his product ranks first. It is true that of the leading staples, particularly cotton and wheat, a large proportion is exported and that relatively small changes in the supply of staple commodities exert a disproportionately powerful influence on their prices, yet it should be recognized that the degree of activity of domestic industry and the consequent amount of employment and earnings of labor are the most important influence in the market for agricultural products, certainly in the United States. In 1922 exports of agricultural commodities were larger than the year before, but the increase affected chiefly the cheaper cereals—corn, oats, and rye—while exports of wheat were decidedly reduced. Prices of practically all agricultural commodities, however, were higher in 1922 than in 1921, as seen in the table above, and in this recovery better industrial conditions, reflected in increased consumption by industrial workers, were an important factor.

Whatever the relative importance of the different factors contributing to the improve-

ment of agricultural conditions may be, it is clear that during the past year the farmer emerged from the depth of an unusually severe depression, and that the time is now opportune for strengthening his economic condition in so far as this can be accomplished by improving the credit machinery at his command.

Long-term credit requirements of the farmer for the purpose of land purchase and of per-

manent improvements are supplied by private investors, by

Long-term credit. mortgage companies, by Federal

land banks, by joint stock land banks, by State banks and trust companies, by insurance

companies, and by national banks, which obtained authority to make loans on real estate

under certain restrictions by the Federal reserve act. The system of Federal land banks, though

it supplies a small per cent of the farmer's long-term requirements, has been a great help

in reaching such farmers as could not easily obtain loans through other institutions and

in reducing and equalizing interest charges. Generally speaking, it would seem that the

farmer's need for credit of from 5 to 40 years' duration is fairly well taken care of by exist-

ing machinery. With the further development of the Federal Farm Loan System, which is now

progressing at a rapid rate, even more satisfactory provision for the farmer's long-term

credit needs may be anticipated in the near future. A provision in the Capper bill raising

the maximum of loans by Federal land banks to one individual from \$10,000 to \$25,000 is

intended to increase the service rendered by these institutions.

Short-term credit requirements of a farmer are primarily for current production needs and

for carrying crops pending or-

Short-term credit. derly marketing. Three to six months' loans are frequently

sufficient for these purposes, although in some instances the farmer requires credit for as long

as a year or more. It should be borne in mind that a much larger proportion of farm activities

than of industrial activities is conducted without being financed by banks or credit institu-

tions of any sort. Many farmers are able to