

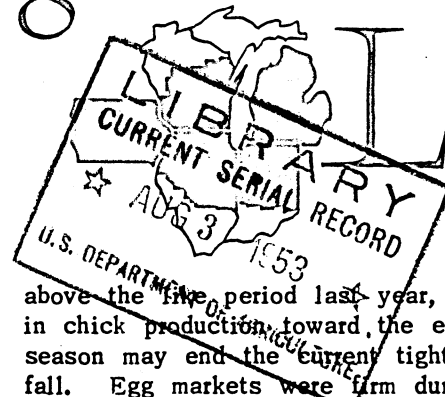
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A NEW FARM ADVISORY COMMISSION was established by President Eisenhower this week. The 18-man commission will review national agricultural policies and the administration of farm programs for the purpose of making recommendations to the Secretary of Agriculture. The President will appoint the 18 members, no more than 9 belonging to any one political party, and at least 12 being representative farmers. The new group will be on a permanent basis, replacing the 14-man interim advisory committee appointed in December 1952.

Important questions arise concerning the relationship of this advisory group to the Secretary and his staff of specialists, the Congress, and the farm organizations.

SURPLUS FOOD DISPOSAL is an important objective of the Mutual Security Act of 1953, passed by Congress last week. The law authorizes the President to enter into agreements with friendly countries for the sale of surplus U.S. farm products and to accept the currency of the buying country as payment. This would avoid the problem of a "dollar shortage" in the country doing the buying.

The foreign currency thus acquired by the U.S. could be used by the President in making Mutual Security agreements with other countries. In this way the foreign funds could enter into, and encourage, the stream of trade between friendly foreign nations. The law contains safeguards against sheer "dumping," that is, the substitution or displacement of usual commercial marketings by the U.S. or friendly countries.

THE EMERGENCY CREDIT BILL passed by Congress earlier this month includes economic disaster among the types of emergencies that would qualify farmers for special loans. The legislation provides a supplemental source of emergency credit for established farmers--not limited to livestock operators--in areas that have undergone an economic disaster, such as a substantial price decline. When the Secretary of Agriculture determines that such a disaster has occurred, he can authorize loans for farming operations to the extent that credit cannot be secured from local sources.

A daily journal reports the following conversation between two farmers in the drouth area--

First farmer: "If it doesn't rain soon, I'm going to have to rob a bank."

Second farmer: "If it doesn't rain soon, I've already robbed one."

THE INTERNATIONAL WHEAT AGREEMENT is now effective. Before the July 15 deadline more than the required 50 per cent participation was obtained. However, Britain, the chief importer, continues to abstain from the Agreement, and its effectiveness may be considerably reduced thereby.

THE NUMBER OF CHICKS hatched during June for flock replacement was up 27 per cent from a year ago. In the first six months of this year, production for laying flock replacement was only 3 per cent

above the five period last year, but the sudden spurt in chick production toward the end of the hatching season may end the current tight egg supply by late fall. Egg markets were firm during June despite the fact that egg production exceeded the year-ago amount by 1 per cent.

On the other hand, turkey prices were lower during June, and hatcheries continue to report 10 to 15 per cent fewer poults hatched than last year.

Production of farm chickens, eggs, and turkeys from 1945 to 1952 is shown in the following table.

Year	Farm chickens produced (mil. head)	Eggs produced (mil. cases)	Turkeys raised (mil. head)
1945	799	156	43
1946	646	155	40
1947	636	154	34
1948	536	152	32
1949	623	156	41
1950	551	163	44
1951	578	165	52
1952	525	170	60

THE PRICE OF MILK sold wholesale from farms has declined 20 per cent since January. Part of the decline was seasonal, but the June 15 price was 12 per cent under June 1952. Dry weather has cut current milk production somewhat, but this year's output is still expected to exceed last year's 115 billion pounds.

THE CATTLE MARKET has been behaving in an odd fashion lately. Marketings have been heavy on days when they usually are light (Tuesday, for example) and light on days when they usually are heavy (Monday). The result has been a series of sharp and erratic price swings.

Market analysts report that dressed beef buyers and sellers are far apart in price ideas, and cattle feeders are trying to outguess a market which nobody has figured out. In any case, cattle slaughter was heavy last week, and wholesale beef supplies should increase substantially in a few days. At that time consumers, through beef retailers, will determine whether recent price advances for cattle will last, assuming that heavy cattle marketings continue.

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