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INCOME from hogs ranks high on most Midwest farms. In 1956, it accounted for about \$1.00 of each \$5.00 of total cash receipts in Illinois and Indiana, and about \$1.00 of each \$3.00 of cash receipts in Iowa.

U. S. cash receipts from hog marketings rose about 6 per cent in 1957 (estimates for individual states are not available), reflecting a reduction of about 7 per cent in pork production and an increase of 23 per cent in price of hogs.

Per cent of cash receipts in 1956 from:	Illinois	Indiana	Iowa	Michigan	Wisconsin
Hogs	19	23	30	6	11
Cattle and calves ...	19	14	31	11	13
Dairy products	9	13	8	29	61
Corn	21	15	13	6	3
Soybeans	14	10	5	1	-
All other	18	25	13	47	12

The downtrend in supply and the advance in price of hogs has continued to date, but 1958 is expected to bring a reversal of the trends. This expectation is based on many years of experience. Hog production and prices characteristically pass through cycles of increase and decline. The movements at any given time tend to be in opposite directions, with the result that farmers' receipts from hog marketings are less variable than either output or price.

In general, increasing over-all hog production does not add to total receipts in an individual year. This, of course, would not be expected to hold true over a long period of years in which population and income showed substantial increases.

SPRING FARROWINGS (December-June) this year will be about 6 per cent above a year ago, according to a recent USDA survey covering 10 Corn Belt states. This is interpreted as holding forth a rather bright pic-

ture for hog prices to the end of the year and possibly for a month or two beyond. The reason: most of the increase is indicated to be in the early end of the crop.

Sows farrowing from December to February represent 32 per cent of the total expected for the 1958 spring season, compared to 29 per cent last year and only 17 per cent for the 1947-56 average.

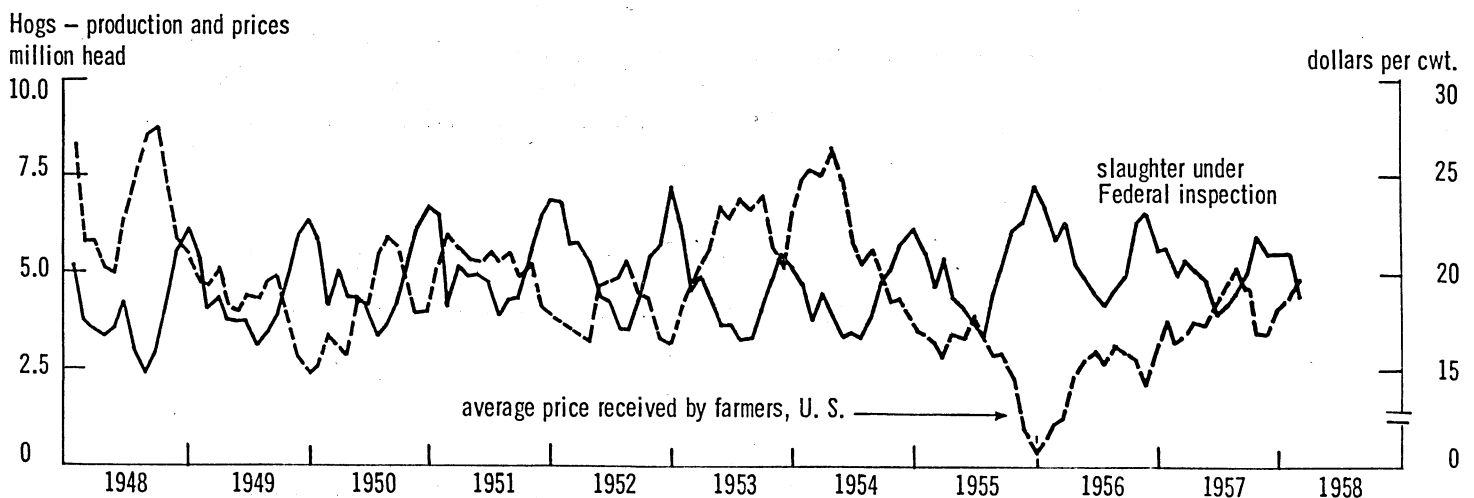
Compared to 1957, 15 per cent more sows farrowed from December to February this year, while only 1 per cent more are expected to farrow from March to May, the period which accounts for fully two-thirds of the total spring crop.

The spring and fall pig crops are also coming into closer balance. For the 10 years, 1947-56, spring pigs averaged 62 per cent and fall pigs 38 per cent of the annual total. In 1956 and 1957, the split was about 59 and 41 per cent.

Prices, of course, are affected primarily by marketings, not farrowings. But farrowings usually provide a good indicator of the volume of marketings six to eight months later. Hence, the keen interest in farmers' plans.

Hog production is definitely in the up side of the cycle, and the present hog-corn ratio of about 18 to 1 points to a further rise. However, the usual seasonal pattern of light marketings from July to September and a sharp jump thereafter to a November or December peak will apparently be materially flattened in 1958.

Research Department



FARM BUSINESS CONDITIONS
February 1958, with Comparisons

I T E M S	1958	1957	
	February	January	February
PRICES:			
Received by farmers (1947 - 49 = 100)	93	91	86
Paid by farmers (1947 - 49 = 100)	121	120	117
Parity price ratio (1910 - 14 = 100)	83	82	80
Wholesale, all commodities (1947 - 49 = 100)	119	119	117
Paid by consumers (1947 - 49 = 100)	123	122	119
Wheat, No. 2 red winter, Chicago (dol. per bu.)	2.21	2.22	2.36
Corn, No. 2 yellow, Chicago (dol. per bu.)	1.16	1.15	1.30
Oats, No. 2 white, Chicago (dol. per bu.) . . . . .	.73	.73	.80
Soybeans, No. 1 yellow, Chicago (dol. per bu.)	2.25	2.26	2.45
Hogs, barrows and gilts, Chicago (dol. per cwt.)	20.12	19.11	17.17
Beef steers, choice grade, Chicago (dol. per cwt.)	27.54	26.82	20.57
Milk, wholesale, U.S. (dol. per cwt.)	4.31	4.42	4.34
Butterfat, local markets, U.S. (dol. per lb.) . . . . .	.59	.59	.59
Chickens, local markets, U.S. (dol. per lb.) . . . . .	.19	.19	.18
Eggs, local markets, U.S. (dol. per doz.) . . . . .	.37	.39	.33
Milk cows, U.S. (dol. per head)	193	185	157
Farm labor, U.S. (dol. per week without board)	--	41.00	39.75 ^a
Factory labor, U.S. (dol. earned per week)	80.85	81.06	82.41
PRODUCTION:			
Industrial, physical volume (1947 - 49 = 100)	130	133	146
Farm marketings, physical volume (1947 - 49 = 100)	--	131 ^b	97
INCOME PAYMENTS:			
Total personal income, U.S. (annual rate, bil. of dol.)	342	344	339
Cash farm income, U.S. ¹ (annual rate, bil. of dol.)	--	33 ^b	32
EMPLOYMENT:			
Farm (millions)	4.8	5.0	5.2
Nonagricultural (millions)	57.2	57.2	58.0
FINANCIAL (District member banks):			
Demand deposits:			
Agricultural banks (1955 monthly average = 100)	101.3	102.3	101.3
Nonagricultural banks (1955 monthly average = 100)	99.4	103.3	101.5
Time deposits:			
Agricultural banks (1955 monthly average = 100)	116.6	114.7	106.3
Nonagricultural banks (1955 monthly average = 100)	114.6	113.4	107.7
¹ Based on estimated monthly income.			
^a January			
^b December 1957			

Compiled from official sources by the Research Department, Federal Reserve Bank of Chicago