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Adverse weather conditions in April resulted in further deterioration of winter wheat and reduced prospects for other crops. May 1 estimate is for a production of 690 million bushels of winter wheat, 74 million less than indicated a month earlier and the smallest since 1943. With an average spring wheat crop, total production would be less than a billion bushels for the first time in seven years.

Recent sharp increases in soybean prices in conjunction with continuing delays in spring planting operations may result in even larger increases in soybean acreage than were indicated earlier. If yields per acre of oil-bearing crops are as high as in 1949, production of vegetable oils in 1950-51 probably will be larger than in the current year. Average crop yields, however, would result in a moderately smaller production of vegetable oils than is indicated for 1949-50. Increased slaughter of cattle and hogs in the year beginning October 1950 probably will result in increased production of tallow and lard. Thus, fats and oils prices are not expected to rise significantly.

Egg production continues at a record level with output in April exceeding the year-ago level by five per cent. Government purchases of dried eggs continue at a high level as current egg consumption is less than production. Milk production totaled 10.6 billion pounds in April, a near record for that month. Further seasonal increases in production are expected as pasture conditions improve.

Domestic food consumption in 1950 is indicated by the BAE to continue at about the same level as in 1949. During the next few months, however, consumption of eggs, turkeys, and citrus fruits may be above a year ago while consumption of other major foods will show little change, except for some decline in fresh fruits.

Booming business conditions are influencing the farm product markets as indicated by increased consumer expenditures for meat and the strengthening of grain prices. Wholesale meat prices during the first week of May were eight per cent higher than a month earlier and three per cent above year-ago prices.

An average seasonal rise in hog prices is expected this spring and early summer. Hog marketings in recent weeks indicate that the peak movement from the 1949 fall pig crop has passed. A continued large volume of marketings is indicated, however, for May and June.

European crop conditions continue favorable indicating reduced need for imports. Value of agricultural exports from the United States in 1950 is indicated to be off 10 to 15 per cent from 1949.

The farm storage facility loan program has been extended. Loans to farmers to finance the construction or purchase of grain storage space are now available through June 30, 1951. The USDA announced that the first instalment on loans approved prior to July 1, 1950, will be due and payable January 31, 1951.

A recent University of Wisconsin study concludes that investment ratios are favorable for young people to start farming at the present time and that the general economic trend appears to be more inflationary than deflationary in the years ahead, promising relatively favorable domestic markets for farm products.

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