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Hog prices are expected to average higher in 1953 than in the current year. This reflects the approximately 9 per cent cutback in number of hogs raised in 1952 and the effects of this on marketings next year. It is probable that the low point in hog production has been reached in the current cycle. With a large harvest of corn this fall farmers probably will increase the number raised next year. Marketings, however, would not reflect such an increase before the fourth quarter of 1953. Furthermore, the withholding of more breeding stock would reduce marketings this fall and winter and contribute to price strength at that time.

The recent outbreak in the Midwest of the hog disease—vesicular exanthema—might discourage some hog farmers although the effects probably will not be widespread. The outbreak has been confined to small areas and vigorous control measures appear to be making progress toward stamping out the disease. Four states have now joined the USDA in agreements providing indemnities to owners of diseased animals which are slaughtered as a part of the control program.

The potato situation, highlighted within the past year by temporary shortages, price ceiling difficulties, and wide swings in prices, appears to be well on the way toward readjustment. According to August 1 conditions a crop of 335 million bushels is expected this year, about 3 per cent more than was produced in 1951. The increase is confined to the late producing states, however, and therefore will not be apparent before fall. At that time prices received by farmers as well as prices in retail are expected to drop well below current levels.

The supply of vegetables for fresh market continues somewhat below a year ago and, reflecting a continued strong demand, prices are averaging somewhat higher. Total supplies of canned and frozen vegetables are indicated to be adequate to permit consumption to continue at about the current rate with little change in prices. The USDA has offered to buy canned beans and peas from the 1952 pack for use in its School Lunch Program. The apportionment of about 66 million dollars among the various states for use in this program during the coming school year was announced recently. Each dollar of Federal funds devoted to this program must be matched by \$1.50 from sources within those states where per capita income equals or exceeds the national average.

Feeder cattle prices showed strength at Kansas City last week even though there was a step-up in volume. This supports the view that farmers will carry on a large volume of feeding this year if feeders can be obtained at prices which promise profitable operation. Current relationship between feeder and slaughter cattle prices is encouraging in this respect. The big uncertainty, of course, is slaughter cattle prices several months hence when animals now being put on feed will be returned to market. Assuming that demand for meat will continue at least as strong as currently, it appears that profits can be made from feeding cattle this year even though we may be in a period of long-run decline in cattle prices.

Lamb feeding prospects also are more encouraging than a year ago. Iowa State College experts recently reviewed the situation and concluded that "feeder lambs for the experienced feeder look like a pretty good risk this year." They suggest further that feeder lamb prices may work higher as the season progresses and add a note that "many cornfields are in shape to take lambs now."

Ernest T. Baughman
Agricultural Economist
Research Department