

FEDERAL RESERVE BOARD

WASHINGTON

X-3772
July 6, 1923.

SUBJECT: Financing the Marketing of Agricultural Products.

Dear Sir:

The Federal Reserve Board wishes to call attention to the importance of the Federal Reserve System functioning effectively in providing adequate financing for the orderly marketing of agricultural products.

Your attention is called specifically to the near approach of the American wheat harvest. The movement of this commodity to the world markets will soon be on and will require financing, as well as expert handling, to insure an orderly marketing movement and avoid periodical congestion at terminal market points, which is very much to the disadvantage of the producer in that it permits a combined buying arrangement on the part of foreign countries.

The Board is advised that the agricultural situation in many sections of the country has materially improved over what it was in the three previous crop seasons. There are, however, some weak spots that require studied attention with a view of assisting the producer in obtaining full advantage emanating from orderly marketing.

The Board would like to suggest that officials of all of the Federal Reserve Banks, including branches, inform themselves fully regarding the added facilities for agricultural financing made possible through legislation enacted during the last Congress. This done, the Federal Reserve Banks should give the information to the public, especially to the member banks, cooperative marketing agencies, and producers and buyers of agricultural products.

The Board feels that any activity on the part of the Federal Reserve Banks will give added assurance to the producer and his marketing agency that added credit facilities are available and will also be helpful in promoting mutual confidence which should be instrumental in pointing out any additional steps that can be properly taken in the process of orderly marketing of agricultural products.

By order of the Federal Reserve Board.

Very truly yours,

Wm. W. Hoxton,
Secretary.

TO ALL FEDERAL RESERVE AGENTS