Monthly Review

Atlanta, Georgia

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Also in this issue:

Federal Reserve Bank of Atlanta

Feed Manufacturing

A Growth Industry in the Sixth District

Seek a growth industry in the Southeast and you will find one in feed manufacturing. Ninety-four new feed mills were built in Sixth District states from 1947 to 1954, and many others were enlarged. In Georgia alone feed companies built at least six major mills in 1954.

Why are feed firms building so many new plants in the South? Because of the seemingly unlimited rise in broiler production and the vast amount of feed needed for it. Only ten years ago broiler sales in District states totaled a modest 47 million birds; last year 481 million were sold, about ten times more. With each bird taking about 2.5 pounds of feed, the 1957 flock ate 1.2 billion pounds, or 600,000 tons.

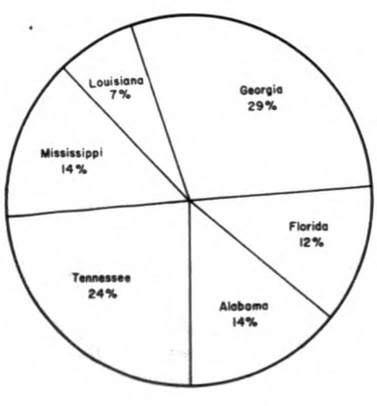
Feed firms had several other incentives for service and growth. Animal agriculture is clearly on the rise here: Farmers now produce more beef, pork, milk, and eggs than they did only a decade ago and they therefore need more mixed feeds. Then too, feed men sought to offset rising transportation costs by building mills near markets for mixed feed rather than near areas where ingredients are produced.

Growth in the feed industry helps both our farm and nonfarm economies. The industry's increased capacity supports broiler output and helps sustain broiler income on farms. Also, feed mills use local labor and make heavy payments for services from railroads, trucking firms, barge lines, ports, grain elevators, and the like. Finally, by serving growers who produce broilers, eggs, beef, and pork, they help food processors such as meat and poultry packers.

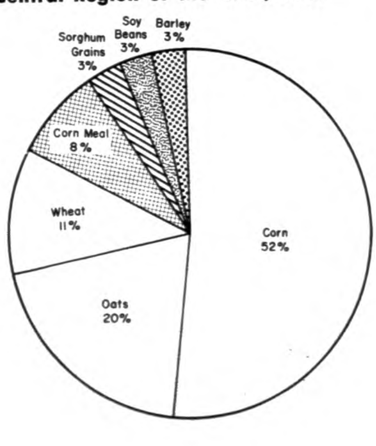
Location and Size of Mills

Most District feed manufacturers make one or more prepared feeds for livestock or poultry; they mix corn products, oats, wheat products

Proportion of 247 Feed Mills Making Prepared Animal Feeds Sixth District States, 1954



Proportion of Grains Used by the Mixed Feed Industry in the East South Central Region of the U. S., 1947



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like bran and middlings, and other raw materials obtained largely from the Midwest. Millers store their feed ingredients in bins or warehouses, grind or otherwise process some of them, and then mix them by precise formula. Usually feed makers try to maintain production line operations, but many firms rely on batch or job-lot mixing.

Feed mills in the District are concentrated in Tennessee, northern Alabama, and Georgia. These locations are convenient because of the nearby poultry areas that provide the major market for mixed feeds. Two-thirds of the mixed feed tonnage produced in the nation is poultry feed, and the proportion is probably larger in District states. Although most of the tonnage in our region is broiler feed, laying and breeding mash for hens is being used here more and more. Dairy feed and high protein hog supplement, used especially in Tennessee and Georgia, are other important products made in District mills.

Feed makers were also influenced by total costs in selecting a location for their plants. They sought low-cost water transport via the Tennessee River for bulk grains—principally corn, oats, and wheat—which they have to import from the nation's grain belts. Since 54 percent of the poultry mash is made of corn, that waterway is highly useful to these feed men. Corn was barged from St. Louis to Guntersville, Alabama, in April 1953 for $2.45 per ton; the cost by rail was $10.68. Trucking from Alabama to Georgia raises millers' costs, but not excessively. Georgia mills get about three-fourths of their corn and one-third of their oats by the barge-truck route.

After World War II, national firms found that they too had to do something about high costs. District feed dealers, who were among their best customers, began mixing their own feeds rather than having mixed feeds shipped from so far away. To meet that competition national firms built mills closer to the market; they offset efficiency of large volume central mills in surplus grain areas with lower transport and distribution costs at mills in the South. Being near their customers they could market fresher feed and operate with smaller inventories, which require less bin and warehouse space. By handling inventories of ingredients locally rather than at distant mills they gained flexibility in mixing operations because smaller stocks enabled them to substitute an ingredient in the event of price changes and the like.

Spurred by both its cost structure and the demand for its products, the feed industry invested 3.4 million dollars in new District plants and expansions in 1947 and 2.7 million in 1954, and probably comparable amounts in intervening years. In 1954, firms in Georgia made the largest investment, 917,000 dollars, which was 150 percent more than they made in 1947. Recent construction includes two 250,000-dollar mills at Flowery Branch and Forest Park, Georgia, and two one-million-dollar mills at Chamblee, Georgia, and Chattanooga, Tennessee.

Investments to modernize or erect plants have to be large nowadays. It takes 17,000 dollars' worth of machinery and equipment, for example, to replace a mill man earning 2,600 dollars a year, according to the United States Department of Agriculture. Even small mills putting out 50 tons per eight-hour day cost between 55,000 and 175,000 dollars. Medium or 150-ton mills cost from 175,000 to a million dollars, and large or 500-ton mills cost a million dollars or more.

Investments since World War II have pushed the feed industry in the District to fair size. Its size is measured in one way by the 56 million dollars in value added through manufacture in 1954. This measure places it below the District's meat packing industry that produced 72 million dollars in value added, but above two other important industries—tobacco manufacture and electrical machinery. By employment, another measure of size, the feed industry fell below tobacco and electrical machinery. The feed industry employed 6,971 people in 1954 and met a payroll totaling 22 million dollars. Workers in the tobacco manufacturing and electrical machinery industries totaled 9,000 and 7,000, respectively.

More Efficiency Needed

Although the feed industry in the District has invested capital in new facilities and has otherwise grown, it is not as efficient as it is elsewhere. Taken broadly, southern mills use 30 to 50 percent more man hours per ton than mills in other regions, according to analyses by the USDA. Since this poor productivity is offset by generally lower wage rates, manufacturing costs of District firms are low enough that they can compete with mills elsewhere. Nevertheless, wage rates are under upward pressure, and if they rise District millers will have to protect their competitive position by using labor more efficiently. The room for improvement is large. Based on an analysis of a national sample, small mills use 5.69 man hours per ton produced, whereas a model small mill uses only 1.80 man hours. Large mills too could do better. They now use 1.90 man hours per ton but could achieve a level of .80 hours. Analysts say that because all mills use two or three times the labor they should, they need to invest more funds to modernize and better equip their plants.

Some investment will be most profitable if made in improving facilities and techniques in warehouses, since labor is used least efficiently there. Warehousing comes to about a third of a mill's total labor cost or twice as much as mixing or mill maintenance costs. Yet warehouse labor is nonproductive almost a third of the working time, according to studies by the USDA. Men wait to unload cars or trucks; they wait to load; they wait for others down the line to complete their jobs. By speeding change-overs in daily operations and loading and unloading and by steadying the flow of work, District firms can cut their costs.

Adjusting plant facilities and schedules to cut labor costs, however, is not easy. Often a firm manager must first answer difficult questions: Should I specialize my production, that is, produce only a few feeds? Should I use straight production line mixing to turn out a large but steady flow of one feed or batch mixing that allows me to use labor and materials more flexibly or a combination of line and batch mixing? Can I profitably use bulk delivery to my plant, bulk storage in the plant, and bulk delivery to my patrons if poultry feed is my major item? Can I economically adjust or relocate my equipment to keep my labor fully employed? To find the right answer to these questions is often to reduce operating costs. This

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is true because labor accounts for 60 percent of those costs in a feed mill.

Firms also seek to lower costs by raising tonnage handled. They try to spread their costs for machinery, labor, electricity, trucks, and so on over many tons of feed. Costs can be lowered significantly as volume is gained: Fixed costs at a sample of mills producing less than 5,000 tons a year, for example, were five dollars a ton in 1952, say USDA specialists. They were two dollars a ton at mills mixing 45,000 tons or more. Operating costs at the time were 16 dollars a ton at mills with small volume, but nine dollars a ton at mills with large volume. Small mills, of course, can have management skilled enough to achieve low manufacturing costs and thus compete with large mills. Nevertheless, even small mills do better as they gain volume because volume accounts for almost two-thirds of the variation in labor costs per ton among plants.

Finally, District mills seek to lower costs through their policies on the principal item in their total cost—raw materials. With raw materials accounting for four-fifths of total cost, how cheaply they are bought, stored, and moved helps determine net profits. Mill managers, therefore, strive to make their inventory policy profitable, that is, to keep the rate of turnover high. Small mills generally turn their inventories 10 times a year; large mills 25 times.

Further Progress Possible

Feed manufacturers seeking lower costs, higher volume, and higher inventory turnover know they must resolve some subsidiary problems that affect their over-all success. A major one is whether to rely more or less on the feed dealer system for marketing their feeds. Trucking feed direct from a plant to farms within a trade area may be the most profitable system for some. For others, bulk delivery may build volume, since fewer and fewer poultrymen want to wrestle with 100-pound bags of feed. Bulk delivery, however, does not necessarily cut feed handling costs. Then there is the perennial problem of pricing finished goods. Should the small volume items be marked up sufficiently to carry their share of the manufacturing and marketing costs? This matter is especially troublesome to mills producing many feeds.

Finally, District millers speculate about how intensively they should seek higher volume. True, they see opportunity or potential for more sales. The broiler market, for example, evidently is still growing and farmers' mounting interest in laying flocks generates potential sales of laying mash. Rising pork and beef output should also build the feed market.

Although feed makers see those potentials for added business, they are uncertain about how best to get it. They are not sure how far to push financing programs and contract farming. And they wonder about how much emphasis to put on trade credit as a competitive weapon. Those whose business is based on broiler feed can decide most easily. They have had experience with it. They are less decisive, however, about their programs for laying mash and livestock feed. Simply building tonnage without controlling manufacturing costs or the costs of buying, storing, and moving raw materials or the risks on their capital can prove an illusory gain.

Feed firms that have made investments so far have not only benefited themselves but farmers and other businessmen as well. To the extent that feed men justifiably invest funds to lower costs, raise output, and increase over-all efficiency, livestock and poultry producers here gain advantage over those in other areas. To the extent that small mills can cut their costs enough and raise their volume enough to keep them in the competitive struggle for feed sales, our agriculture also is strengthened.

Arthur H. Kantner

Flow of Bank Loans to District Business

The South needs more funds to finance its expanding economy than can be generated within the region. It is necessary, therefore, to supplement funds from its own sources with credit from other parts of the country. These facts are generally recognized, but little is known specifically about how much financing is obtained from sources outside the South, where the funds come from, or to whom they go.

Answers to some questions relating to one phase of the financing of southern economic activity, that is, bank lending to businesses in the South, are now forthcoming. A recent analysis of a survey of commercial bank loans conducted by the Federal Reserve System in October 1955 provides detailed information on the flow of bank loans into and out of that part of the South lying within the Sixth Federal Reserve District—Alabama, Florida, and Georgia, the southern half of Louisiana and Mississippi, and the eastern two-thirds of Tennessee. In addition, data on the location of District borrowers relative to their banks are available for the first time.

The survey showed bank financing of Sixth District businesses is largely provided by District banks, although some businesses, particularly the larger ones, obtain bank funds from outside the District, mainly from New York City. Funds do not flow in only one direction, however, and some District banks extend credit to businesses in cities outside this District. Since more funds flow into the District than flow out, the District as a whole is a net borrower.

Local Banks Are Major Source of Funds

Do borrowers in the Sixth District patronize banks in their own vicinity or do they go away from home for financing help? In order to answer this question, we placed banks in three groups: those located in the same city, county, or metropolitan area as the borrower, those located outside the county or metropolitan area in which the borrower is situated, and those located outside the District. When borrowers and lenders were grouped in this manner and loans were tabulated by amount, we

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is quantitatively much more important than nonlocal lending. District banks that do the most nonlocal lending—lending to borrowers outside the metropolitan area or county in which the bank is situated—are the large banks. Since banks with deposits of $100 million or more tend to locate in large cities, nonlocal lending is relatively more important there than in smaller cities and towns.

Banks in major cities in the District for which separate loan data were obtained accounted for more than 50 percent of all nonlocal loans outstanding. The proportion of nonlocal loans outstanding in the portfolios of banks varied substantially among major cities in the District, ranging from a high of 39 percent for banks in Atlanta to a low of 13 percent for banks in Miami. Jacksonville and Nashville ranked behind Atlanta, with 32 and 28 percent of their outstanding loans going to nonlocal borrowers, followed by Birmingham and New Orleans with 26 and 20 percent, respectively.

ALFRED P. JOHNSON

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	June 1958	May 1958	June 1957	Percent Change: June 1958 from May 1958	June 1958 from June 1957	1958 from 1957
ALABAMA						
Anniston	34,978	35,855	36,133	−2	−3	−3
Birmingham	726,663	711,070	693,551	+2	+5	+0
Dothan	23,355	24,155	22,809	−3	+2	−0
Gadsden	28,529	32,791	33,661	−13	−15	−7
Mobile	239,551	243,332	243,255	−2	−2	−10
Montgomery	139,994	144,793	122,035	−3	+15	+4
Selma*	20,111	21,476	19,365	−6	+4	+2
Tuscaloosa*	43,316	46,183	40,018	−6	+8	+8
FLORIDA						
Daytona Beach*	54,878	52,696	47,691	+4	+15	+9
Fort Lauderdale*	183,573	173,637	159,334	+6	+15	+3
Gainesville*	33,518	33,536	30,719	−0	+9	+9
Jacksonville	626,514	641,240	609,973	−2	+3	+9
Key West*	14,394	15,045	11,838	−4	+22	+3
Lakeland*	63,690	61,648	57,310	+3	+11	+8
Miami	759,119	691,607	653,080	+10	+16	+6
Greater Miami*	1,131,635	1,059,591	997,730	+7	+13	+3
Orlando	165,477	166,123	152,118	−0	+9	+6
Pensacola	76,627	78,436	83,523	−2	−8	−3
St. Petersburg	149,074	145,324	141,259	+3	+6	+1
Tampa	311,980	327,750	289,951	−5	+8	+6
West Palm Beach*	95,549	104,794	84,580	−9	+13	+8
GEORGIA						
Albany	54,695	60,076	48,986	−9	+12	+2
Athens*	35,892	34,844	30,909	+3	+16	+6
Atlanta	1,625,495	1,599,704	1,604,851	+2	+1	+2
Augusta	87,952	89,266	83,713	−1	+5	+1
Brunswick	18,672	20,990	17,899	−11	+4	+11
Columbus	93,990	93,422	96,878	+1	−3	−4
Elberton	8,534	10,435	8,008	−18	+7	+8
Gainesville*	49,341	53,391	44,878	−8	+10	+6
Griffin*	15,782	16,965	16,046	−7	−2	+3
LaGrange*	16,302	18,408	18,841	−11	−13	−7
Macon	101,217	104,858	99,000	−3	+2	+1
Marietta*	24,032	26,797	25,022	−10	−4	−0
Newnan	14,401	15,810	14,542	−9	−1	+3
Rome*	35,693	36,541	35,804	−2	−0	−3
Savannah	184,156	177,200	165,967	+4	+11	+0
Valdosta	20,713	23,031	21,144	−10	−2	−7
LOUISIANA						
Alexandria*	64,665	66,616	61,072	−3	+6	+1
Baton Rouge	184,061	201,011	169,898	−8	+8	+8
Lafayette*	51,351	60,148	47,664	−15	+8	+9
Lake Charles	80,804	83,596	75,588	−3	+7	+6
New Orleans	1,211,772	1,236,988	1,179,837	−2	+3	−2
MISSISSIPPI						
Biloxi-Gulfport*	41,353	40,141	35,978	+3	+15	+7
Hattiesburg	29,680	31,397	29,093	−5	+2	+1
Jackson	237,149	252,212	170,000	−6	+39	+10
Laurel*	22,523	22,882	21,831	−2	+3	+7
Meridian	36,067	43,163	35,064	−16	+3	+4
Natchez*	18,414	19,581	21,025	−6	−12	−2
Vicksburg	17,148	18,640	16,825	−8	+2	−2
TENNESSEE						
Bristol*	40,316	39,426	37,350	+2	+8	−0
Chattanooga	287,673	269,543	268,862	+7	+7	−1
Johnson City*	37,631	37,765	36,209	−0	+4	+4
Kingsport*	70,143	68,055	62,806	+3	+12	+3
Knoxville	206,122	201,382	199,938	+2	+3	−3
Nashville	618,139	589,189	572,535	+5	+8	+3
SIXTH DISTRICT						
32 Cities	8,400,301	8,364,389	7,959,976	+0	+6	+2
UNITED STATES						
344 Cities	219,447,000	195,100,000	193,303,000	+12	+14	+5

*Not included in Sixth District totals.

Bank Announcements

The newly organized City Bank and Trust Company, New Iberia, Louisiana, opened for business July 9 as a nonmember bank and began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers of the bank are Leon J. Minvielle, Sr., Chairman of the Board; Francis J. Voorhies, President; Wilfred J. Begnaud, Senior Vice President; John T. Abdalla, Vice President; Paul Romero, Jr., Executive Vice President and Cashier; and Marlin J. Nereaux, Assistant Cashier. Its capital totals $150,000 and surplus and undivided profits, $120,000.

On July 15, the Hancock Bank, Gulfport, Mississippi, a nonmember bank with branches at Bay St. Louis, Long Beach, and Pass Christian, began to remit at par. Officers are Leo W. Seal, President; Donald Sutter, Vice President and Cashier; George E. Estes, Vice President and Senior Trust Officer; N. D. Goodwin, Vice President and Trust Officer; W. B. Stewart, T. W. Milner, Jr., W. C. Helveston, W. C. Lewis, Leo W. Seal, Jr., Ruth Cazeneuve, and Robert L. Hamilton, Vice Presidents; C. E. Hutchins, Jr. and Margaret P. Gause, Assistant Vice Presidents; Gertrude O. Dowling, Charles A. Webb, Jr., J. B. Rouse, Russell W. Chapman, and Drusilla Courtenay, Assistant Cashiers; James T. Tune, Auditor. Capital totals $350,000 and earned surplus and undivided profits, $1,283,000.

The First Park Bank, Pinellas Park, Florida, opened for business August 1 as a nonmember par-remitting bank. Officers are George Ruppel, Chairman of the Board and President; Lewis E. Scruggs, Executive Vice President and Cashier; Stanley W. Mohr, Vice President; and Ray L. Coon, Assistant Cashier. Capital stock of the bank amounts to $250,000 and surplus and undivided profits to $150,000.

Department Store Sales and Inventories*

State and Metrop. Area	Percent Change: Sales, June 1958 from May 1958	Sales, June 1958 from June 1957	Sales, 6 months 1958 from 1957	Inventories, June 30, 1958 from May 31, 1958	Inventories, June 30, 1958 from June 30, 1957
ALABAMA	−13	−2	−3	−5	−6
Birmingham	−14	−1	−4	−5	−3
Mobile	−13	−3	−2	..	..
Montgomery	−13	−2	−3	..	..
FLORIDA	−8	+3	+0	−5	−2
Daytona Beach	+4	+6	+1	..	..
Jacksonville	−21	−3	−5	−5	−6
Miami Area	−4	+3	+1	−6	−0
Miami	−2	+1	−3	..	..
Orlando	−12	−3	−3	..	..
St. Petersburg-Tampa	−10	+8	+5	−4	−4
GEORGIA	−11	+6	−0	−6	−2
Atlanta**	−13	+7	+1	−7	+0
Augusta	−10	−7	−8	..	..
Columbus	−9	+11	+5	−2	−8
Macon	−8	+10	+1	−3	−2
Rome**	−23	−25	−22	..	..
Savannah	−1	+11	−2	..	..
LOUISIANA	−11	+0	−4	−7	−10
Baton Rouge	−8	+10	−1	−11	−20
New Orleans	−13	−2	−5	−6	−7
MISSISSIPPI	−15	−0	−2	−3	−3
Jackson	−18	−1	−4	−3	−2
Meridian**	−13	−2	−1	..	..
TENNESSEE	−17	−3	−5	−6	−8
Bristol-Kingsport-Johnson City**	−6	+1	−11	−5	−18
Bristol (Tenn. & Va.)**	−10	+6	−3	−6	−7
Chattanooga	−20	−3	−2	..	..
Knoxville	−21	−7	−6	−4	−7
DISTRICT	−11	+2	−2	−6	−5

*Reporting stores account for over 90 percent of total District department store sales.
**In order to permit publication of figures for this city, a special sample has been constructed that is not confined exclusively to department stores. Figures for non-department stores, however, are not used in computing the District percent changes.

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Sixth District Indexes

Seasonally Adjusted (1947-49 = 100)

SIXTH DISTRICT	1957								1958					
	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE
Nonfarm Employment	135r	135	136r	136r	136r	135r	135r	134r	134	133	133r	132r	132r	133
Manufacturing Employment	121r	121	121	121r	120r	119r	118r	118	117	115r	115r	114r	113r	115
Apparel	171r	171	165r	164	166r	166	166	164	167	167	165	161r	167r	170
Chemicals	135r	135r	135r	132r	133	131	131	132r	130r	129	127	131r	133r	131
Fabricated Metals	182r	189r	193r	189r	186r	186r	185r	181r	181r	177r	174r	176r	176r	183
Food	114r	114r	115r	111r	112r	111r	111r	111r	114r	113r	110r	110r	109r	109
Lbr., Wood Prod., Fur. & Fix.	77r	77r	77r	76r	77r	78r	76r	76r	75r	74r	72r	72r	72r	72
Paper & Allied Products	163r	164r	158r	161	159	161	159	159	158	156	157r	158	157r	158
Primary Metals	109r	108r	108	107	105r	106r	101r	100r	96r	91r	91r	90r	93r	91
Textiles	92r	90	90r	90r	90r	89r	88	89r	88r	87r	85r	85	85r	84
Transportation Equipment	223r	235r	240r	248r	235r	220r	220r	226r	215r	200r	194r	187r	172	201
Manufacturing Payrolls	194	197r	201	200	198r	195r	196	194	187	182	183	182	183	192
Cotton Consumption**	87r	89	88r	88r	91r	85r	84r	78r	82r	79r	79r	74	75	80
Electric Power Production**	308	310	298	297	299	303	299	295	317	325	311	306	297	n.a.
Petrol. Prod. in Coastal Louisiana & Mississippi**	195	170	172	160	164	167	161	175	169	170	168	162r	169	167
Construction Contracts*	311	320	330	330	315	283	261	259	264	298	309	318	n.a.	n.a.
Residential	291	325	319	341	324	334	288	294	272	293	279	301	n.a.	n.a.
All Other	327	315	340	321	308	241	239	229	257	303	333	332	n.a.	n.a.
Farm Cash Receipts	122r	127r	142r	104r	89r	99r	104r	128r	119r	118r	121r	150r	157r	153e
Crops	98r	108r	131r	79r	70r	84r	90r	103r	97r	92r	87r	134r	145r	n.a.
Livestock	155r	147r	155r	154r	152r	158r	152r	172r	161r	156r	160	177r	176r	n.a.
Dept. Store Sales*/**	168	171r	171	175	168	154	162	169	157	147	158	155	164	175p
Atlanta	163	158	159	167	154	149	154	156	151	147	157	153	154	169
Baton Rouge	183	186	177	194	181	187	205	201	181	171	175	164	172	205p
Birmingham	134	131	128	138	132	128	123	126	121	111	132	117	130	129
Chattanooga	144r	148r	149	151	147	141	147	145	142	128	141	136	145	144
Jackson	112	107	119	121	111	102	115	117	109	99	97	99	107	106
Jacksonville	128r	130r	127	135	132	118	130	133	127	116	122	108	122	126
Knoxville	154	148	151	158	156	139	144	156	146	128	139	141	147	137p
Macon	149	151	147	166	141	136	143	149	139	137	148	151	159	165
Miami	250r	251	267	274	267	244	231	255	234	227	233	242	244	259p
New Orleans	142	148	148	148	151	145	140	147	132	135	125	135	137	144p
Tampa-St. Petersburg	185	187	183	185	189	177	195	207	192	174	186	181	203	202
Dept. Store Stocks*	200	201r	204	203	201	208	206	207	202	199	193	190	191r	191p
Furniture Store Sales*/**	108	111	114	110	105	103	108	113	107	93	95	103	104	104p
Member Bank Deposits*	160	159	162	160	161	159	159	162	161	161	166	170	171r	174
Member Bank Loans*	260	261	263	268	268	265	263	269	270	269	272	275	276	278
Bank Debits*	224	223	231	225	231	221	216	235	227	226	220	229	219	237
Turnover of Demand Deposits*	144	140	152	147	144	138	136	149	146	144	139	141	141	147
In Leading Cities	159	160	168	166	158	145	144	160	157	155	150	160	155	168
Outside Leading Cities	109	103	111	106	110	101	99	113	111	112	110	106	112	110
ALABAMA														
Nonfarm Employment	123	123	122r	123	123r	123	122	123r	121r	119r	119r	119	119	119
Manufacturing Employment	113	114	114	113	109	112	112	107	105	103	102	103	104	105
Manufacturing Payrolls	181	185	187	193	186r	188	185	173	170r	162	165	162	166	173
Furniture Store Sales	117	113	131	125	100	111	120	117	123	99	104	109	117	110p
Member Bank Deposits	140	140	140	139	139	136	136	139	139	139	140	150	147	151
Member Bank Loans	215	219	219	223	226	223	218	222	224	221	223	226	229	234
FLORIDA														
Nonfarm Employment	176r	178r	180r	180r	181r	179r	178r	177r	176r	176r	175r	176r	177r	180
Manufacturing Employment	172r	175r	176r	179r	177r	178r	180r	177r	171r	171r	168r	167r	171r	174
Manufacturing Payrolls	271r	277r	284r	287r	290r	287r	287r	288r	278r	273r	264r	271r	280r	292
Furniture Store Sales	113	115r	124	114	111	106	111	126	100	99	95	109	107	108p
Member Bank Deposits	201	201	206	207	211	212	213	213	210	206	213	218	221	226
Member Bank Loans	404	405	410	414	415	416	417	423	427	428	436	448	444	446
GEORGIA														
Nonfarm Employment	129r	128r	129r	129r	129r	129r	128r	128r	128r	126r	126r	125r	124r	125
Manufacturing Employment	121r	122r	121r	119r	118	116r	118r	117r	115r	114r	113r	112	109r	114
Manufacturing Payrolls	193r	194r	197r	198r	191r	186r	196r	190r	183r	177r	177r	171r	167r	182
Furniture Store Sales	106	105	106	107	107	103	111	110	107	86	91	92	104	102p
Member Bank Deposits	142	142	145	141	141	138	137	142	141	141	147	150	150	153
Member Bank Loans	214	216	218	219	217	212	208	212	210	208	212	214	214	218
LOUISIANA														
Nonfarm Employment	132r	133r	133r	134r	134r	133r	132r	132r	131r	131r	130r	129r	129r	127
Manufacturing Employment	100r	101r	101	100	101r	101r	99	96r	98	98	96	96	95	94
Manufacturing Payrolls	172r	171r	172r	172r	173	172	170r	172r	171r	169r	168r	171r	169r	167
Furniture Store Sales*	128	137r	139	147	133	133	135	148	135	116	137	123	121	125p
Member Bank Deposits*	155	155	156	155	154	153	151	153	151	154	156	155	158	160
Member Bank Loans*	262	261	267	272	271	268	265	274	268	269	266	267	270	269
MISSISSIPPI														
Nonfarm Employment	125r	124r	125r	124r	126r	126r	125r	125r	126r	125r	125r	125r	125r	123
Manufacturing Employment	121r	122r	124r	123r	123r	123r	121r	120r	122r	122r	122r	124r	123r	123
Manufacturing Payrolls	206r	208r	217r	217r	212r	206r	205r	210r	211r	207r	226r	221r	221r	226
Furniture Store Sales*	90	105r	83	75	85	80	95	107	88	77	79	90	88	97
Member Bank Deposits*	155	155	157	158	154	147	149	154	163	164	167	187	189	191
Member Bank Loans*	280	283	286	288	282	293	294	296	302	305	308	309	333	338
TENNESSEE														
Nonfarm Employment	122r	121r	120r	120r	120	120r	119r	118r	119r	117r	118r	118r	117r	117
Manufacturing Employment	120r	120r	119r	119r	119r	118r	118r	116r	116r	112r	113r	112r	112r	114
Manufacturing Payrolls	191r	189r	192r	194r	191r	190r	188r	186r	179r	179r	181r	178r	179r	180
Furniture Store Sales*	87	86	85	82	82	82	80	87	85	72	75	84	84	79p
Member Bank Deposits*	144	144	148	148	147	146	147	148	146	148	155	156	158	160
Member Bank Loans*	229	233	236	236	236	230	233	236	239	233	236	242	246	251

*For Sixth District area only. Other totals for entire six states. **Daily average basis. n.a. Not Available. p Preliminary. e Estimated. r Revised.

Note: All emp. and payroll indexes adjusted to 1957 emp. benchmarks. New seasonal factors used for Dist. nonfarm emp., mfg. emp., and cotton consumption indexes and for Tenn. and Fla. nonfarm emp. indexes.

Sources: Nonfarm and mfg. emp. and payrolls, state depts. of labor; cotton consumption, U. S. Bureau Census; construction contracts, F. W. Dodge Corp.; petrol. prod., U. S. Bureau of Mines; elec. power prod., Fed. Power Comm. Other indexes based on data collected by this Bank. All indexes calculated by this Bank.

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SIXTH DISTRICT BUSINESS HIGHLIGHTS

MOST INDICATORS *of economic activity have improved recently. Nonfarm employment rose in June as a result of gains in most types of manufacturing employment. A longer work week, together with the expanded employment, increased factory payrolls appreciably. Bank lending continued to rise. Farm receipts, however, declined slightly, reflecting softening in prices for fruits, vegetables, and some livestock products. Consumers stepped up their spending, judging from increases in both bank debits and sales at most retail outlets.*

Nonfarm employment, seasonally adjusted, increased slightly in June after declining almost steadily since last summer. Improvement in **manufacturing employment** was primarily responsible for the gain; the **nonmanufacturing** sector changed little. An increase in the **average work week,** together with the rise in employment, brought a sharp rise in **factory payrolls.** The **rate of insured unemployment** dropped more than usual.

Cotton textile activity, as measured by seasonally adjusted **cotton consumption,** increased in June for the second consecutive month, but is still comparatively low. **Steel output** declined in July, which is usual for that time of year. **Crude oil production** in Coastal Louisiana and Mississippi declined slightly in June.

Bank debits, seasonally adjusted, increased sharply in June, suggesting a rise in total spending. **Department store sales,** seasonally adjusted, remained unchanged in July at the record high; **inventories** also were unchanged. **Furniture store sales** held steady in June at recently improved levels and **household appliance stores** reported larger-than-usual gains in sales.

Cash receipts from farm marketings, seasonally adjusted, declined in June, but still exceeded year-ago levels by a sizable margin. **Farm prices** declined in June, largely because of lower prices of fresh fruit and vegetables; beef cattle prices also declined, but hog and broiler prices improved. Besides being slightly larger than last year, the **flue-cured tobacco crop**—now moving to market—is of high quality.

Member bank deposits and **loans,** seasonally adjusted, rose sharply in June. All states shared in the rise in deposits, and only Louisiana failed to register an increase in loans. **Investments** also rose as banks, principally those in major cities, added to their holdings of both Government and other securities. In July, **loans outstanding at banks in leading cities** dropped more than they did during the same period last year. **Member bank borrowings from the Federal Reserve Bank of Atlanta** declined further in July.

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