

MONTHLY REVIEW

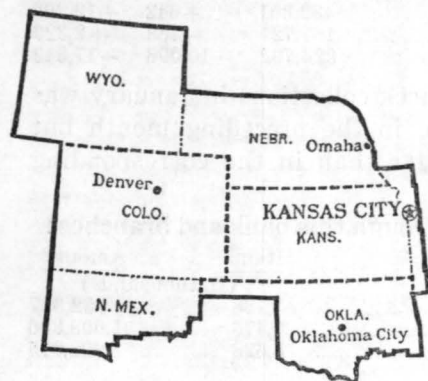
Agricultural and Business Conditions

TENTH FEDERAL RESERVE DISTRICT

VOL. 24, No. 2

FEDERAL RESERVE BANK OF KANSAS CITY

FEBRUARY 28, 1939



On this page are four charts that show at a glance some of the important factors in the farm situation in this District.

The first chart shows farm income and land values for the seven states of this District. The purchase of an article is simply the purchase of the right to receive the income it produces and cash farm income and land values are, consequently, closely related. Farm income after rising from the low point of 1932 has dropped back to the level of 1934 and 1935 and this explains the very little lift that has taken place in land values.

The second chart shows changes in the number and value of hogs in these states. On page 7 of this issue of the Monthly Review will be found the detailed livestock figures for all states as of January 1, 1939. In the last year there has been an increase of 22% in the number of hogs. The largest relative increases were in Kansas, Nebraska, and Oklahoma. At the same time, hog

prices have remained firm with the result that the value of hogs in the District is 27% higher than a year ago.

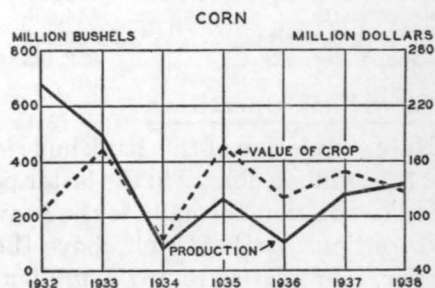
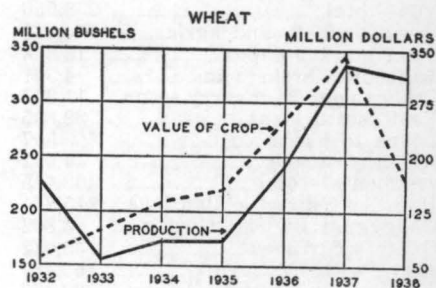
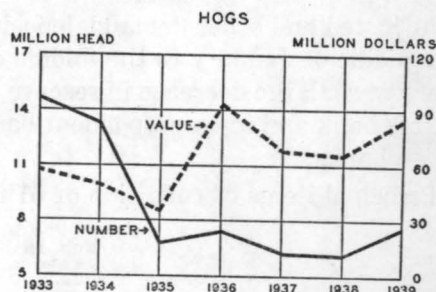
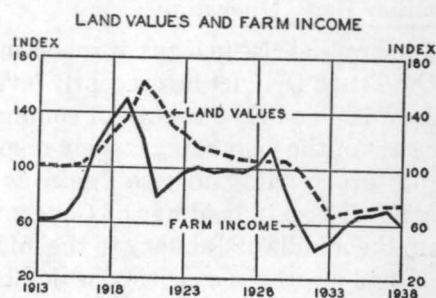
Cattle have increased in number much less than hogs. This is what would be expected as hog numbers can be increased very much more quickly than can those of cattle. The largest increase was in Kansas while there was a 9% decrease in New Mexico due to large shipments last year.

The two grain charts go a long way in explaining the radical drop in farm income. The wheat crop last year was nearly as large as the year before but it was worth little more than half as much. This unsatisfactory experience is tending to restrict wheat acreage.

The corn crop in this District last year was appreciably larger than the year before but it was worth 12% less. Large corn crops in eastern Corn Belt states in the last two years and small livestock numbers are responsible for the present low price.

The charts emphasize the importance of prices. Crops and livestock have a very definite cost of production and the economic position of the farm depends on the margin, if any, that exists above these costs. Livestock on the whole was profitable last year because of satisfactory prices but a large wheat crop meant very little in buying power or capacity to pay debts.

The charts are for the seven states that are wholly or partly in this District.



Summary

Precipitation in January was much above normal and the critical moisture situation is somewhat relieved. Construction activity continues one of the favorable factors and lumber sales in January were nearly 19 per cent above last year. Life insurance sales were nearly half again as large as in January a year ago. Department store sales are little changed. Corn marketings are much below last year. The slaughter of nearly all livestock is lower. Production of crude petroleum is 20 per cent under last year but flour output is 5 per cent higher. Demand deposits and bank investments are somewhat above a year ago, but bank loans are 4 per cent lower.

Member Bank Operations

The gradual rise in loans at reporting member banks in the Tenth District has recently leveled off, a rather steady decline in the volume of commercial loans since the first of the year being largely responsible. Investments are tending to rise again as the result of a sharp increase in holdings of Government obligations from the middle of January to the middle of February. Holdings of other securities, which had been increasing, declined during this period.

Adjusted and other demand deposits declined from the middle of January to the middle of February and there was a large decrease in reserve balances carried at this bank and in correspondent balances carried at other banks.

Principal items of condition of 51 member banks:

	Change from		
	Feb. 15 1939	Jan. 18 1939	Feb. 16 1938
(In thousands of dollars)			
Loans and investments—total.....	661,191	+6,323	+13,449
Loans—total.....	258,056	-35	-1,946
Coml., indust., and agric.....	154,821	-2,341	-8,346
Open market paper.....	18,532	+790	-168
To security brokers and dlers....	4,891	-10	+1,119
Other to purch. or carry secur..	11,899	+436	-456
Real estate loans.....	22,805	+303	+1,804
Loans to banks.....	507	-195	-7
All other loans.....	44,601	+982	+4,108
Investments—total.....	403,135	+6,358	+15,395
U. S. Govt. direct obligations....	215,861	+6,837	-11,322
Oblig. guar. by U. S. Govt.....	53,802	+3,136	+8,406
Other securities.....	133,472	-3,615	+18,311
Reserve with F. R. Bank.....	155,489	-8,578	-13,825
Balances with domestic banks....	268,478	-6,698	+33,117
Demand deposits—adjusted.....	498,349	-4,263	+12,359
Time deposits.....	144,505	+274	-175
U. S. Govt. deposits.....	22,400	+295	+8,814
Interbank deposits.....	352,463	-5,617	+5,702

Reserve Bank Operations

Note circulation of this bank had risen to a new high of 172¼ million dollars in the latter part of December, when circulation normally is the heaviest of the year, and continues to hold well above the level of a year earlier. Circulation of 167¾ million at the middle of

February, while seasonally lower than last December, compares with 165½ million a year ago and about 160 million at this time in 1937.

Principal items of condition of the Federal Reserve Bank of Kansas City and branches:

	Change from		
	Feb. 15 1939	Jan. 18 1939	Feb. 16 1938
(In thousands of dollars)			
Total reserves.....	313,510	+3,493	+17,748
Bills discounted.....	532	-454	-338
Bills purchased.....	16	Zero	Zero
Industrial advances.....	231	-14	-257
Commit. to make indust. adv.....	709	+59	+610
U. S. Government securities.....	132,098	Zero	-6
Total assets.....	482,301	+642	+12,399
F. R. notes in circulation.....	167,721	-488	+2,329
Member bank reserve deposits....	224,782	-10,098	-17,542

Dollar volume of check collections in January was seasonally lower than in the preceding month but about 3 per cent larger than in the corresponding month a year ago.

Check collections through this bank and branches:

	Items		Amount
	(In thousands)		
January 1939.....	5,768		\$ 932,377
December 1938.....	6,476		1,008,396
January 1938.....	5,628		902,975

Bank Debits

Debits to individual accounts by banks in reporting centers of the District dropped sharply from December to January and were about 2 per cent lower than in January a year ago.

Payments by check in thirty District cities:

	Change from		
	Jan. 1939	Dec. 1938	Jan. 1938
(In thousands of dollars)			
Albuquerque, N. Mex.....	15,264	-1,859	+1,237
Atchison, Kans.....	2,815	-639	-174
Bartlesville, Okla.....	30,427	+1,313	+3,095
Casper, Wyo.....	6,265	-1,781	+127
Cheyenne, Wyo.....	8,310	-1,858	+790
Colorado Springs, Colo.....	15,159	-1,292	+568
Denver, Colo.....	151,148	-18,881	+2,921
Emporia, Kans.....	3,547	-176	+363
Enid, Okla.....	9,658	-1,081	-1,673
Fremont, Nebr.....	2,594	-209	+195
Grand Junction, Colo.....	3,455	-621	-54
Guthrie, Okla.....	1,837	+167	-33
Hutchinson, Kans.....	9,989	-930	-896
Independence, Kans.....	3,192	-52	+72
Joplin, Mo.....	10,076	-476	+354
Kansas City, Kans.....	19,231	+2,044	+1,182
Kansas City, Mo.....	288,615	-52,560	-23,378
Lawrence, Kans.....	3,451	-535	-269
Lincoln, Nebr.....	25,572	-6,358	-1,315
Muskogee, Okla.....	8,754	+324	+476
Oklahoma City, Okla.....	104,657	-9,019	-5,422
Okmulgee, Okla.....	2,867	-235	+255
Omaha, Nebr.....	145,767	-16,089	+3,843
Pittsburg, Kans.....	4,167	-271	-106
Pueblo, Colo.....	15,926	-974	+866
Salina, Kans.....	7,241	-1,633	-1,091
St. Joseph, Mo.....	29,314	+1,497	+330
Topeka, Kans.....	22,025	+2,012	+4,818
Tulsa, Okla.....	140,692	-33,869	-13,947
Wichita, Kans.....	45,265	-1,883	-1,497
District, 30 cities.....	1,137,280	-145,924	-28,363
U. S., 141 cities.....	32,339,577	-7,590,023	+25,971

Trade

RETAIL SALES

Dollar volume of sales at reporting department stores in the District in December and January had been virtually unchanged from a year earlier but sales in the first three weeks of February were about 3 per cent above a year ago. Sales showed about the usual seasonal decline from December to January. Retail prices, according to the Fairchild Index, are about 4 per cent below a year ago. During January prices advanced slightly for the first time in nearly a year and a half.

Stocks of merchandise declined by about the usual seasonal amount during January. Collections on open accounts averaged 47.4 per cent as compared with 47.1 per cent in January of last year, while installment collections averaged 14.9 and 14.6 per cent, respectively.

Department store sales and stocks in leading cities:

	No. of Stores	SALES		STOCKS	
		Jan.'39 comp.to Jan.'38	Jan. 31, '39 compared to Dec.31,'38	Jan.31,'39 compared to Jan.31,'38	Jan.31,'38
		(Per cent increase or decrease)			
Denver.....	4	-1.3	+0.6	-3.2	
Kansas City.....	4	+0.1	-4.2	-14.0	
Oklahoma City.....	3	+11.3	-11.0	+4.7	
Omaha.....	3	+4.5	-13.9	+1.8	
Tulsa.....	4	-6.9	-2.3	+3.2	
Wichita.....	3	-3.1	—	—	
Other cities.....	18	-2.8	-6.7	-10.6	
District.....	39	+0.2	-5.6	-5.0	

Total retail sales in January were larger than a year ago in Missouri, Nebraska, Wyoming, and New Mexico, but somewhat smaller in Kansas, Oklahoma, and Colorado.

Sales of independent retail stores reported by the Department of Commerce:

	Jan. 1939 per cent change from Jan. 1938						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	—	-8.5	-4.8	+5.1	-2.7	-9.1	+26.9
General.....	-0.2	-6.9	-3.7	-6.5	-16.5	-10.6	-10.9
Department	-2.5	-5.2	+0.2	-1.1	+0.7	-0.9	-2.1
Drug.....	-3.7	-3.5	+0.4	+3.2	-0.8	-4.0	-6.0
Furniture.....	+2.3	-7.0	+2.3	+10.7	+27.2	-0.6	+0.2
Grocery.....	-5.1	+3.1	-2.7	-1.5	—	-4.2	-8.6
Hardware.....	-7.5	-11.2	+2.8	-0.5	+2.8	+0.6	+14.6
Lbr. & mtls.	-6.9	-3.2	+17.1	-4.5	+16.6	+8.0	+10.1
Automobile.	+10.9	-11.6	+28.4	+20.4	+0.9	-4.3	+38.6
Total.....	-1.0	-5.6	+2.3	+2.5	+1.5	-2.7	+6.5

The following table shows percentage changes in retail sales for the year 1938 as compared with 1937 in cities of the District. These percentage changes are based on reports of independent retail stores in approximately twenty kinds of business. For the states as a whole, sales in Colorado and Kansas declined 12 per cent in 1938, in Missouri 8, in Nebraska 9, in New Mexico 17, in Oklahoma 6, and in Wyoming 14 per cent.

The Department of Commerce retail sales report:

	Year '38 comp. to Year '37 (%)	Year '38 comp. to Year '37 (%)
COLORADO		
Denver.....	-6.9	Boulder..... -18.7
Pueblo.....	-18.3	Grand Junction..... -11.3
Colorado Springs.....	-16.3	Longmont..... -17.2
Greeley.....	-19.2	Loveland..... -15.3
Trinidad.....	-2.4	Durango..... -2.1
Fort Collins.....	-15.2	Fort Morgan..... -24.1
KANSAS		
Kansas City.....	-7.8	Pittsburg..... -12.2
Wichita.....	-7.5	Parsons..... -2.2
Topeka.....	-14.0	Emporia..... -10.6
Hutchinson.....	-20.9	Lawrence..... -6.7
Salina.....	-6.6	McPherson..... -15.0
MISSOURI		
Kansas City.....	-8.0	Joplin..... -15.4
Saint Joseph.....	-8.1	
NEBRASKA		
Omaha.....	-6.6	Grand Island..... -5.2
Lincoln.....	-10.8	North Platte..... -13.6
NEW MEXICO		
Albuquerque.....	-20.2	Santa Fe..... -18.9
OKLAHOMA		
Oklahoma City.....	-5.0	Muskogee..... -4.4
Tulsa.....	-6.9	Bartlesville..... -14.8
WYOMING		
Cheyenne.....	-10.5	Laramie..... -13.0
Casper.....	-21.0	Sheridan..... +2.0

WHOLESALE SALES

The value of wholesale sales in the District in January continued slightly above a year earlier. Sales declined about 9 per cent from December to January. Dollar inventories increased nearly 6 per cent during January but at the close of the month were 14 per cent lower than a year ago.

Wholesale sales and stocks reported by the Department of Commerce for this District:

	No. of Firms	SALES		STOCKS	
		Jan.'39 comp.to Jan.'38	Jan. 31, '39 comp.to Dec.31,'38	Jan.31,'39 comp.to Jan.31,'38	Jan.31,'38
		(Per cent increase or decrease)			
Auto. supplies.....	6	-7.1	—	—	
Clothing.....	3	+15.8	+50.0	-11.8	
Drugs.....	8	+1.3	+10.6	-5.2	
Dry goods.....	6	+2.6	+13.3	-32.8	
Electrical goods.....	10	+36.6	+21.6	-8.1	
Furniture.....	5	+8.1	—	—	
Groceries.....	37	-2.1	+4.1	-13.8	
Hardware—total.....	(16)	+3.1	+4.9	-1.5	
General.....	5	-3.5	+5.6	-2.7	
Industrial.....	6	+14.9	+2.8	+2.6	
Plbg. & htg.....	5	+8.9	—	—	
Tobacco & prod.....	5	-3.8	—	—	
All other lines.....	21	-6.5	-0.8	-11.2	
Total.....	117	+0.6	+5.8	-14.0	

Lumber

Following substantial improvement in the last half of 1938, retail lumber sales at reporting yards in the District in January were 19 per cent larger than in the same month a year ago.

Collections on amounts outstanding averaged 33.5 per cent in January as compared with 36.9 per cent in December and 33.0 per cent in January of last year.

Lumber trade at 151 retail yards in the District:

	Jan. 1939 per cent change from	
	Dec. 1938	Jan. 1938
Sales of lumber, board feet.....	-7.7	+18.7
Sales of all materials, dollars.....	+1.1	+10.5
Stocks of lumber, board feet.....	+2.2	-7.2
Outstandings, dollars.....	-1.9	+13.0

Building

In January construction awards in the District were 19 per cent larger than a year ago. Awards for residential building accounted for all of this increase, being more than double what they were last year.

Construction figures, F. W. Dodge Corporation:

	TENTH DISTRICT		37 EASTERN STATES	
	Residential	Total	Residential	Total
(In thousands of dollars)				
January 1939.....	3,131	9,114	80,163	251,673
December 1938.....	3,529	21,746	91,539	389,439
January 1938.....	1,474	7,631	36,207	195,472

The value of building permits issued in reporting District cities in January was 53 per cent larger than in the same month a year ago and was the largest for any January since 1931.

January building permits issued in District cities:

	PERMITS		ESTIMATED COST	
	1939	1938	1939	1938
Albuquerque, N. Mex.....	51	42	\$ 245,000	\$ 52,000
Cheyenne, Wyo.....	27	31	33,000	50,000
Colorado Springs, Colo.....	30	38	36,000	41,000
Denver, Colo.....	366	262	366,000	265,000
Hutchinson, Kans.....	38	45	32,000	239,000
Joplin, Mo.....	19	7	35,000	7,000
Kansas City, Kans.....	24	17	103,000	7,000
Kansas City, Mo.....	110	104	180,000	278,000
Lincoln, Nebr.....	84	63	349,000	43,000
Oklahoma City, Okla.....	154	170	395,000	462,000
Omaha, Nebr.....	59	38	112,000	26,000
Pueblo, Colo.....	43	36	35,000	25,000
Salina, Kans.....	13	11	24,000	26,000
Shawnee, Okla.....	8	15	4,000	8,000
St. Joseph, Mo.....	23	10	283,000	6,000
Topeka, Kans.....	21	30	32,000	33,000
Tulsa, Okla.....	128	68	324,000	94,000
Wichita, Kans.....	168	127	200,000	155,000
January.....	1,366	1,114	\$2,788,000	\$1,817,000

Life Insurance

Life insurance sales in the District in January were 43 per cent larger than a year ago, with all states participating in this increase.

The Life Insurance Sales Research Bureau report:

	Change from		
	Jan. 1939	Dec. 1938	Jan. 1938
(In thousands of dollars)			
Colorado.....	6,139	-1,672	+880
Kansas.....	8,336	-3,705	+1,845
Missouri.....	24,701	-3,937	+8,287
Nebraska.....	7,994	-1,576	+3,176
New Mexico.....	1,359	-497	+535
Oklahoma.....	11,828	-1,900	+3,289
Wyoming.....	1,146	-328	+472
Seven states.....	61,503	-13,615	+18,484
United States.....	729,766	-168,120	+235,951

Meat Packing

Packers' purchases of cattle and calves in January were 16 and 28 per cent, respectively, lower than a year ago, with an unusually large proportion of market receipts continuing to return to the country as stockers and feeders. Hog slaughter was 6 per cent smaller and sheep slaughter 8 per cent larger than a year ago. The slaughter of cattle was 14, calves 23, hogs 35, and sheep 11 per cent under the January ten-year average.

January packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	14,510	2,744	27,627	29,639
Kansas City.....	47,318	10,728	146,474	100,844
Oklahoma City.....	16,237	6,190	23,672	10,311
Omaha.....	66,142	5,630	185,675	84,025
St. Joseph.....	17,603	2,941	63,003	81,479
Wichita.....	12,129	3,718	21,300	16,369
Jan. 1939.....	173,939	31,951	467,751	322,667
Dec. 1938.....	137,824	33,711	433,439	259,030
Jan. 1938.....	208,149	44,643	495,974	298,236

Petroleum

Daily average production of crude petroleum in the District declined further in January. Output was 20 per cent smaller than a year ago although only 4 per cent under the January average of the past ten years.

Oil production reported by the American Petroleum Institute and the Bureau of Mines:

	Jan. 1939		Dec. 1938		Jan. 1938	
	Gross	D. Av.	Gross	D. Av.	Gross	D. Av.
(In thousands of barrels)						
Colo.....	128	4.2	110	3.6	114	3.7
Kans.....	4,573	147.5	4,826	155.7	5,680	183.3
N. Mex.....	3,060	98.7	3,039	98.0	3,256	105.0
Okla.....	13,036	420.5	13,816	445.7	17,409	561.6
Wyo.....	1,522	49.1	1,561	50.4	1,465	47.3
5 States.....	22,319	720.0	23,352	753.4	27,924	900.9
U. S.....	101,124	3,262.1	102,287	3,299.6	106,007	3,419.6

The steady decline in crude petroleum stocks in the District since last May flattened out in December and stocks the past two months have shown little change. While the statistical position of the petroleum industry is much better than a year ago, Mid-continent crude oil prices and prices of refined products are rather weak. Field operations have shown renewed activity since the first of the year, particularly in western Kansas, owing to the fact that many leases will expire in 1939 unless drilled.

Flour Milling

January production of southwestern flour mills, although slightly under normal for the month, was 5 per cent larger than in the corresponding month a year ago. Operations are holding up well in view of the relative scarcity of new orders and the unusually small volume of unfilled orders on mills' books. Flour sales improved markedly in the last week of January but have since declined although inquiries indicate flour

stocks of jobbers and bakers are low. Flour prices eased further in January and early February, while prices for by-product millfeeds are higher.

Flour output reported by the Northwestern Miller:

	Jan. 1939	Change from	
		Dec. 1938	Jan. 1938
(In barrels)			
Kansas City.....	560,000	-26,000	-6,000
Salina.....	219,000	-16,000	+67,000
Wichita.....	165,000	-10,000	+3,000
Other cities.....	1,024,000	-63,000	+28,000
Southwest.....	1,968,000	-115,000	+92,000
United States*.....	5,383,000	-96,000	+267,000

*Represents about 60 per cent of total output in United States.

Zinc and Lead

January shipments of zinc from the Tri-State district were 7 per cent smaller than a year ago but shipments of lead were heavy, being nearly three times what they were a year ago and more than double production for the month.

January ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	12,128	\$ 351,712	2,723	\$147,763
Missouri.....	1,712	49,638	347	18,814
Oklahoma.....	16,143	468,147	7,558	410,013
Jan. 1939.....	29,983	\$ 869,497	10,628	\$576,590
Dec. 1938.....	38,333	1,035,491	5,298	282,030
Jan. 1938.....	32,120	935,893	3,580	190,286

Zinc concentrate prices are unchanged but lead prices have recently fluctuated somewhat and in the third week of February declined.

Farm Income

The following table gives annual estimates of cash farm income in states of this District for the past three years. These estimates include receipts from sales of 78 crop and 14 livestock and livestock-product items, Government benefit payments, and, for the years 1937 and 1938, Government loans, minus redemptions, on wheat, corn, and cotton. Farm income in the District in 1938 was 15 per cent lower than in 1937, the declines ranging from 5 per cent in Missouri to 23 per cent in Kansas and resulting mainly from the drastic reduction in income from crops. The 1938 income was the lowest since 1934 and but little above the figure for that year.

Department of Agriculture income estimates:

	1938	1937	1936
	(In thousands of dollars)		
Colorado.....	102,321	125,003	108,496
Kansas.....	232,732	301,740	276,860
Missouri.....	241,334	253,660	251,864
Nebraska.....	192,200	234,572	273,514
New Mexico.....	41,219	50,867	43,317
Oklahoma.....	169,920	186,155	148,838
Wyoming.....	38,756	46,652	42,721
Seven states.....	1,018,482	1,198,649	1,145,610
United States.....	7,631,809	8,574,445	7,943,631

Crops

The moisture situation was materially improved by the rains and snows of January which, in nearly all sections of the District, furnished much needed moisture to the top soil. Precipitation was abnormally heavy in parts of western Nebraska, Kansas, and Oklahoma and in parts of eastern Colorado and New Mexico. For the states as a whole, precipitation in Nebraska was 27 per cent above normal, in Kansas 18, in Oklahoma 90, in New Mexico 136, and in Colorado 55 per cent. The general condition of winter wheat showed some improvement in Nebraska, in eastern Kansas, and in north-central and northwestern Oklahoma, but in many sections the condition is still very poor. February precipitation has been light and additional moisture is needed. Low temperatures and high winds in February have been detrimental to wheat because of its generally weak condition.

Grain Marketing

January marketings of wheat were little changed from a year ago and were 17 per cent under the January average of the past ten years. Receipts of corn were considerably less than half as large as in January of last year and were 54 per cent below average. The abnormally small volume of corn marketings reflects the tendency of growers to hold corn for better prices, present favorable corn-livestock feeding ratios, and the large amount of corn pledged under Government loans. Receipts of oats were heavy.

January grain receipts at five District markets:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	957,000		
Kansas City.....	3,170,000	1,003,000	218,000
Omaha.....	944,000	853,000	430,000
St. Joseph.....	269,000	448,000	660,000
Wichita.....	1,110,000	5,000	2,000
Jan. 1939.....	6,450,000	2,309,000	1,310,000
Dec. 1938.....	8,933,000	3,578,000	1,342,000
Jan. 1938.....	6,479,000	5,246,000	980,000

The upward trend of cash wheat and corn prices in November and December leveled off early in January. Since that time prices have tended to ease slightly. Favorable moisture was a depressing factor in wheat prices and export demand for corn has recently declined. At the same time, however, there is little pressure on the market from receipts and a fairly tight cash situation prevails, particularly for corn.

The lower range of cash prices at Kansas City:

	Feb. 21 1939	Jan. 31 1939	Dec. 31 1938	Jan. 31 1938
No. 1 hard, dark wheat, bu..	\$.69¾	\$.69¾	\$.70¾	\$.99¾
No. 2 mixed corn, bu.....	.47	.47	.48½	.55
No. 2 white oats, bu.....	.29½	.29	.29¾	.32
No. 2 rye, bu.....	.45	.44½	.46½	.70
No. 2 barley, bu.....	.40	.41	.40	.55
No. 2 white kafir, cwt.....	.75	.74	.75	.92

Livestock

MARKETINGS

Marketings of cattle in January were 9 and calves 13 per cent lower than a year ago, while marketings of hogs and sheep showed little change from last year. Receipts of cattle, hogs, and sheep were very light but calf receipts, notwithstanding the decline from a year ago, were about normal for the month.

January livestock receipts at District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	40,147	13,775	37,774	96,190
Kansas City.....	100,878	19,147	155,076	126,739
Oklahoma City.....	29,465	9,827	38,743	14,604
Omaha.....	98,934	8,876	210,462	122,190
St. Joseph.....	26,276	3,825	73,135	94,063
Wichita.....	29,411	4,019	24,840	16,863
Jan. 1939.....	325,111	59,469	540,030	470,649
Dec. 1938.....	276,673	64,650	490,100	400,166
Jan. 1938.....	356,922	68,010	556,076	470,581

PRICES

In January, livestock prices generally advanced. In the first three weeks of February, there was a further increase in hog prices but some weakness in cattle and sheep prices. Prime quality finished steers in January had reached \$14 a hundredweight, the highest for any month since October, 1937, and as high as in any January since 1930. This extreme top price, however, was not representative of fat cattle values in general, because the bulk of fed cattle marketings for some time have been short fed animals with a top limit under \$12 a hundredweight. The cattle market is exceptionally strong for this time of year, being supported by relatively short supplies of the better grades, a broad demand for stocker and feeder grades, and small receipts due to the holding back of growing and breeding stock in producing areas. Hog prices, while lower than a year ago, are fairly stable. The unfavorable effect of the relatively low price of lard and of potentially increased hog supplies next spring as a result of the upward trend in hog production is about offset for the present by short supplies in late winter. Both sheep and lambs are selling above a year ago, with wool prices giving considerably more support to live values than at this time last year.

Top livestock prices at the Kansas City market:

	Feb. 22 1939	Jan. 1939	Dec. 1938	Jan. 1938	Jan. 1937	Jan. 1936
	(In dollars per hundredweight)					
Beef steers.....	12.00	14.00	13.50	10.00	14.00	12.50
Stocker cattle.....	9.75	9.75	9.50	8.25	8.35	9.00
Feeder cattle.....	10.00	10.35	8.75	7.75	9.50	9.00
Calves.....	11.00	10.50	10.00	9.50	12.00	11.00
Hogs.....	8.15	7.70	7.55	8.85	10.50	10.40
Sheep (Yearlings).....	7.50	8.10	7.70	7.25	9.00	9.25
Lambs.....	8.65	9.10	9.15	8.35	10.65	11.00

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder livestock in January continued somewhat above a year earlier, with shipments of cattle 22, calves and sheep

29, and hogs 26 per cent larger than last year. Mid-winter demand for cattle has been unusually good and demand is expected to be especially heavy when spring grass, which last year had recovered markedly from the drought damage of previous years, adds new incentive to country buying. Corn-livestock feeding ratios are exceptionally favorable, there is an abundance of rough feeds available, and feeders are recovering the losses which they were experiencing at this time last year.

January stocker-feeder shipments:

	Cattle	Calves	Hogs	Sheep
Denver.....	11,382	3,110	90	24,986
Kansas City.....	40,291	6,392	2,308	7,582
Omaha.....	22,303	3,246	672	13,391
St. Joseph.....	5,962	905	1,164	9,886
Jan. 1939.....	79,938	13,653	4,234	55,845
Dec. 1938.....	88,619	21,504	4,222	61,059
Jan. 1938.....	65,565	10,620	3,364	43,141

Reflecting the decrease in lamb feeding operations in Colorado and Nebraska this year, lamb marketings from the northern Colorado, Arkansas Valley, and Scottsbluff feeding areas so far this year have totaled only 1,108 cars as compared with 1,615 cars last year and 1,134 two years ago. Early in February, approximately 1,170,000 lambs were reported left in feed lots in these sections as compared with 1,265,000 a year ago, and 1,110,000 at that time in 1937.

Continued mild weather up to early February was unusually favorable for livestock and permitted good use of ranges and pastures except in limited areas where stock water is scarce. Although winter wheat has furnished comparatively little pasturage this winter, old grass is generally plentiful so that supplemental feeding has been light and the large supplies of grain, hay, and other roughages have been conserved. Cattle and sheep have maintained a better than average condition and death losses have been light. Prospects for calf and lamb crops are exceptionally good at this time.

LIVESTOCK ON FARMS

Reversing the trend of recent years, the number of all cattle and calves on District farms increased about 2 per cent from January 1, 1938, to January 1, 1939, milk cows and heifers 1 per cent, and hogs 22 per cent. The increase in hog numbers compares with an increase of only 11 per cent for the whole country and reflects the extremely low level to which hog numbers in this District had fallen. The number of sheep and lambs showed a further increase of about 3 per cent and the numbers of horses and mules further decreases of 5 and 4 per cent, respectively. The value of all cattle was up 16, milk cows 13, and hogs 27 per cent, while the value of sheep was down 1, horses 12, and mules 11 per cent.

FEDERAL RESERVE BANK OF KANSAS CITY

LIVESTOCK ON FARMS JANUARY 1
 Estimated by the United States Department of Agriculture

Number, in thousands of head *Value, in thousands of dollars*

	ALL CATTLE AND CALVES									
	1939	1938	1937	1936	1933	1939	1938	1937	1936	1933
Colorado.....	1,447	1,492	1,570	1,510	1,614	50,463	46,826	50,579	45,720	25,985
Kansas.....	2,789	2,607	2,834	3,149	3,580	101,631	80,988	82,731	94,971	61,576
Missouri.....	2,547	2,497	2,472	2,658	2,850	95,821	86,570	74,575	88,032	52,440
Nebraska.....	2,909	2,824	3,037	3,491	3,610	112,412	90,485	93,788	119,715	67,868
New Mexico.....	1,190	1,302	1,354	1,039	1,395	36,129	35,731	38,104	29,139	21,065
Oklahoma.....	2,182	2,139	2,252	2,422	2,470	65,421	56,197	48,622	55,514	34,827
Wyoming.....	836	820	781	849	956	30,967	26,466	23,423	26,833	19,024
Seven states.....	13,900	13,681	14,300	15,118	16,475	492,844	423,263	411,822	459,924	282,785
United States.....	66,821	66,083	66,803	67,929	70,214	2,569,793	2,417,235	2,275,182	2,315,847	1,386,107

	MILK COWS AND HEIFERS KEPT FOR MILK									
	1939	1938	1937	1936	1933	1939	1938	1937	1936	1933
Colorado.....	243	245	253	248	280	11,664	11,270	11,638	10,416	7,000
Kansas.....	773	765	805	866	890	40,196	34,425	33,005	36,372	22,250
Missouri.....	945	955	946	1,017	1,080	44,415	42,020	35,948	41,697	24,840
Nebraska.....	648	629	684	720	768	36,288	30,192	30,780	35,280	20,736
New Mexico.....	76	70	76	76	76	3,192	2,660	3,268	3,420	1,900
Oklahoma.....	720	713	728	766	778	30,240	26,381	21,840	23,746	15,560
Wyoming.....	67	68	70	70	75	3,685	3,400	3,220	3,290	2,325
Seven states.....	3,472	3,445	3,562	3,763	3,947	169,680	150,348	139,699	154,221	94,611
United States.....	25,093	24,834	24,993	25,439	25,936	1,397,280	1,352,014	1,259,321	1,253,427	756,846

	SWINE, INCLUDING PIGS									
	1939	1938	1937	1936	1933	1939	1938	1937	1936	1933
Colorado.....	278	253	298	259	536	2,868	2,485	3,369	3,452	1,662
Kansas.....	1,045	804	874	1,248	3,165	11,371	7,861	9,615	13,862	12,027
Missouri.....	3,120	2,622	2,622	2,760	4,674	32,270	27,470	24,978	31,263	17,761
Nebraska.....	1,998	1,598	1,567	2,238	4,534	26,845	19,684	21,768	32,999	19,496
New Mexico.....	85	80	72	64	78	864	770	808	681	304
Oklahoma.....	954	763	700	824	1,506	8,075	6,358	5,756	9,336	4,518
Wyoming.....	49	44	44	42	98	609	548	589	588	333
Seven states.....	7,529	6,164	6,177	7,435	14,591	82,902	65,176	66,883	92,181	56,101
United States.....	49,011	44,218	42,770	42,837	62,127	547,461	498,070	508,643	544,911	261,730

	ALL SHEEP AND LAMBS									
	1939	1938	1937	1936	1933	1939	1938	1937	1936	1933
Colorado.....	2,808	2,853	2,767	2,904	3,093	16,760	17,356	17,216	19,821	8,970
Kansas.....	686	614	559	590	671	3,885	3,580	3,254	3,713	1,812
Missouri.....	1,531	1,441	1,373	1,386	1,269	9,371	9,782	8,490	9,352	3,426
Nebraska.....	840	859	721	1,068	1,115	5,118	5,015	4,154	7,511	3,122
New Mexico.....	2,334	2,385	2,477	2,450	2,820	11,906	12,369	13,224	13,378	6,486
Oklahoma.....	351	313	245	235	188	1,696	1,780	1,259	1,293	508
Wyoming.....	3,859	3,647	3,592	3,590	3,893	23,813	23,043	20,952	24,328	12,458
Seven states.....	12,409	12,112	11,734	12,223	13,049	72,549	72,925	68,549	79,396	36,782
United States.....	53,762	52,682	52,489	52,022	53,075	309,180	322,525	315,780	331,922	154,226

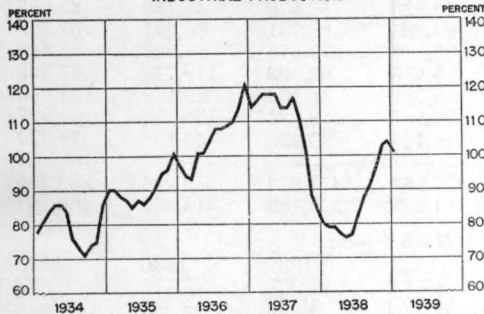
	HORSES AND COLTS									
	1939	1938	1937	1936	1933	1939	1938	1937	1936	1933
Colorado.....	237	249	259	264	318	14,066	16,813	19,623	18,286	9,858
Kansas.....	410	450	506	554	628	24,656	28,225	38,080	42,269	25,748
Missouri.....	524	529	529	519	537	38,264	41,465	44,944	45,483	24,165
Nebraska.....	486	523	569	618	681	30,010	35,024	47,335	52,956	31,326
New Mexico.....	127	130	135	141	145	6,170	6,669	8,318	7,496	3,625
Oklahoma.....	372	400	417	426	416	21,417	24,969	29,145	30,175	13,728
Wyoming.....	137	137	136	140	164	7,081	8,037	8,982	8,423	4,264
Seven states.....	2,293	2,418	2,551	2,662	2,889	141,664	161,202	196,427	205,088	112,714
United States.....	10,800	11,128	11,445	11,635	12,291	911,572	1,012,217	1,135,128	1,126,457	665,178

	MULES AND MULE COLTS									
	1939	1938	1937	1936	1933	1939	1938	1937	1936	1933
Colorado.....	15	16	17	17	24	1,162	1,365	1,625	1,479	936
Kansas.....	75	79	85	96	134	6,029	6,681	8,479	9,326	6,968
Missouri.....	219	223	227	236	279	21,587	23,993	25,696	26,592	16,740
Nebraska.....	58	61	66	70	88	4,702	5,326	7,050	7,358	4,928
New Mexico.....	15	15	16	17	21	1,130	1,197	1,360	1,448	777
Oklahoma.....	175	185	203	235	275	14,321	16,610	19,565	22,603	12,375
Wyoming.....	2	2	2	2	3	144	200	210	198	123
Seven states.....	559	581	616	673	824	49,075	55,372	63,985	69,004	42,847
United States.....	4,382	4,428	4,568	4,684	5,046	515,869	543,092	593,526	563,781	304,895

NATIONAL SUMMARY OF BUSINESS CONDITIONS

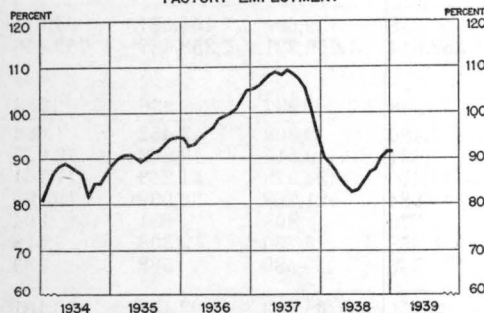
By the Board of Governors of the Federal Reserve System

INDUSTRIAL PRODUCTION



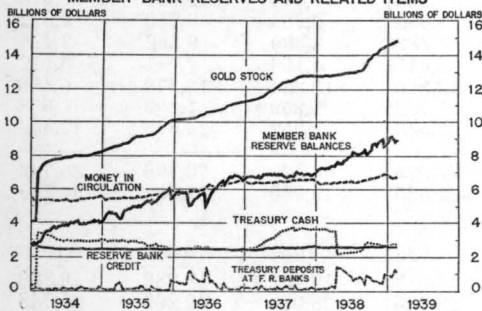
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, through January, 1939.

FACTORY EMPLOYMENT



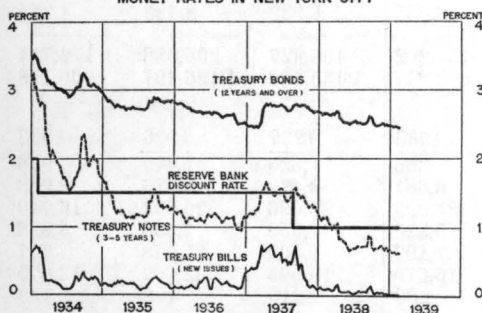
Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, through January, 1939.

MEMBER BANK RESERVES AND RELATED ITEMS



For weeks ending January 6, 1934, through February 18, 1939.

MONEY RATES IN NEW YORK CITY



Wednesday figures, January 3, 1934, through February 21, 1939.

Industrial production increased less than seasonally in January and the first three weeks of February, following a rapid advance in the latter half of 1938. Wholesale commodity prices continued to show little change.

PRODUCTION

In January volume of industrial production, as measured by the Board's seasonally adjusted index, was at 101 per cent of the 1923-1925 average as compared with 104 in December. At steel mills, where activity usually increases considerably at this season, output in January and the first three weeks of February was at about the same rate as in December. Automobile production declined seasonally in the first two months of the year as retail sales showed about the usual decrease and dealers' stocks reached adequate levels. Output of cement declined in January, and there was also some reduction in output of lumber and plate glass. In the nondurable goods industries, where production had been at a high level in December, activity increased less than seasonally. Increases at cotton, silk, and tobacco factories were smaller than usual and at woolen mills there was a decline. Shoe production and sugar refining continued in substantial volume, and activity at meat-packing establishments showed little change, following a decline in December. Mineral production increased somewhat in January, reflecting an increase in output of crude petroleum.

Value of construction contracts awarded declined in January, according to F. W. Dodge Corporation figures, owing principally to a reduction in awards for publicly-financed projects, which had been in large volume in December. Contracts for privately-financed residential building continued at the recent advanced level, while awards for private nonresidential building remained in small volume.

EMPLOYMENT

Factory employment and pay rolls showed the usual decline between the middle of December and the middle of January. In most individual industries, as well as in the total, changes in the number of employees were of approximately seasonal proportions. In trade, employment declined somewhat more than is usual after Christmas.

DISTRIBUTION

Sales at department and variety stores and by mail-order houses showed the usual sharp seasonal decline from December to January. In the first two weeks of February department store sales continued at the January level.

Volume of freight carloadings in January and the first half of February was at about the same rate as in December.

COMMODITY PRICES

Wholesale commodity prices generally continued to show little change in January and the first three weeks of February. Grain prices declined somewhat, following a rise in December, while prices of hogs increased seasonally. Changes in prices of industrial materials were small.

BANK CREDIT

Excess reserves of member banks, which reached a record high level of \$3,600,000,000 on January 25, declined somewhat in February. This decline resulted chiefly from a temporary increase in Treasury balances with the Reserve banks representing cash receipts from the sale of the new United States Housing Authority and Reconstruction Finance Corporation notes. Purchases of these notes were also responsible for an increase in total loans and investments of reporting member banks in 101 leading cities, following a decline during January.

MONEY RATES

Average yields on United States Government securities declined further during the first three weeks of February to about the lowest levels ever reached. New issues of 91-day Treasury bills, after selling at par or at a slight premium in late December and early January, were again on a slight discount basis during February. Other open-market rates continued unchanged.