

MONTHLY REVIEW

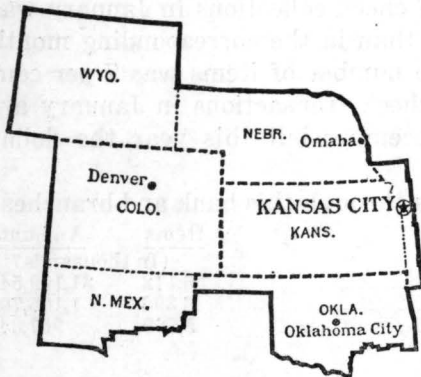
Agricultural and Business Conditions

TENTH FEDERAL RESERVE DISTRICT

VOL. 26, No. 2

FEDERAL RESERVE BANK OF KANSAS CITY

FEBRUARY 28, 1941



The Department of Agriculture has just released its annual estimates of the number of livestock on farms on January 1 and these estimates are shown on page 7. The figures for the last three years are shown as well as those at the beginning of 1934 when most livestock numbers were very large just before the drought.

In the United States there was a large increase last year in cattle numbers, a large decrease in hogs, and a moderate increase in sheep. The number of horses and mules continued the decline that has been in progress.

The number of cattle in the United States increased nearly 3 million last year, reaching almost 72 million or only $2\frac{1}{2}$ million under the all-time high of $74\frac{1}{4}$ million in 1934. The seven states that are wholly or partly in this District have 21% of the total number. Kansas is first in the District and Nebraska second in point of numbers—both states having more than 3 million head. The most rapid gains last year

were shown in Kansas, the increase in that state being 11%. In Missouri the increase was 6% and Oklahoma came next with 5%. Wyoming and New Mexico lost numbers last year, the loss in Wyoming being 4%. The number of cattle in the United States is only 3% under the high point in 1934, but there are 15% fewer cattle in this District.

All seven of the states in this District showed an increase over last year in milk cows. Milk cows in Oklahoma and Missouri increased 4% and Kansas and New Mexico came next with a gain of 3%. In the United States the number of milk cows is only 4% under that of 1934 but in this District the number is still 13% under that year.

A year ago there were 60 million hogs in this country but since then hog numbers have dropped $7\frac{1}{4}$ million. The decrease in this District was 18% but for the whole country it was only 12%. The decrease in Colorado was 25%; in Nebraska, 24%; in Oklahoma, 22%; in Kansas, 18%; and in Missouri, 12%. The decline in hog numbers since 1934 in the United States has been 10%, but in this District the decline has been 41%. The seven states of this District have about 15% of the country's hogs.

There are nearly 56 million sheep in the United States of which number $12\frac{1}{2}$ million, or 23%, are in these states. In the

last year sheep numbers in this country increased nearly $1\frac{1}{3}$ million but in this District there was a slight decrease. Wyoming has nearly 4 million sheep, Colorado $2\frac{1}{2}$ million, and New Mexico nearly that many. The largest declines in the year were in Colorado, New Mexico, and Nebraska, while there was a substantial increase in Kansas. There are now 2 million, or 4%, more sheep in this country than in 1934 but the number in this District has declined 2% in that time.

These figures show that livestock numbers in this country have made a substantial recovery from the disaster brought to the industry by the protracted drought. But the figures also show that the recovery in this District has been much less marked. While numbers have increased in this area, much greater gains have occurred elsewhere. Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, and Iowa—to mention only a few—have 9% more cattle and only 2% less hogs than in 1934.

The value figures reflect higher livestock prices than a year ago. The cattle in this country are worth 319 million dollars more than a year ago, sheep nearly 32 million dollars more, but hogs are worth 30 million less. The value of cattle in this District is more than ten times that of hogs and about seven times the value of sheep.

Summary

For the third successive month precipitation was unusually heavy, moisture in January being fully 75 per cent above normal. As a consequence, the crop outlook is the best in many years. War activity is being felt in this area and employment and pay rolls are increasing. Sentiment is better and both wholesale and retail buying have been approximately 13 per cent above the early weeks of last year. Construction is exceptionally active. Zinc and lead ore shipments are being stimulated by the war. Hog prices rose rapidly in December and January and in February most of the gains were held. Cattle prices remain high. Payments by check are 8 per cent above last year and bank loans are 18 per cent higher. The investments of banks are lower.

Member Bank Operations

Commercial loans of reporting member banks continue to rise. Loans of the 51 banks have increased approximately 55 million dollars in the last year and nearly 2¼ million in the last month. Investments in the past year dropped more than 19 million dollars, the largest decline being in "other" securities. Demand deposits are nearly 59 million dollars higher than a year ago but time deposits are lower. Reserve balances with this bank are nearly 21 million dollars above a year ago but in the last month they have declined. But balances with domestic banks have increased sharply since the middle of January.

Principal items of condition of 51 member banks:

	Change from		
	Feb. 19 1941	Jan. 15 1941	Feb. 21 1940
(In thousands of dollars)			
Loans and investments—total.....	719,713	+5,503	+35,668
Loans—total.....	351,286	+2,218	+55,120
Coml., indust., agric.....	212,713	+1,828	+34,644
Open market paper.....	21,738	+526	+1,924
To security brokers and dealers...	3,054	-651	-637
Other to purchase or carry secur.	10,138	-116	+380
Real estate loans.....	31,420	-217	+3,546
Loans to banks.....	46	-234	-290
All other loans.....	72,177	+1,082	+15,553
Investments—total.....	368,427	+3,285	-19,452
U. S. Treasury bills.....	12,650	-2,087	+2,272
U. S. Treasury notes.....	58,244	+7,361	-9,261
U. S. Govt. bonds.....	94,965	-365	-7,689
Oblig. guar. by U. S. Govt.....	75,369	+63	+9,438
Other securities.....	127,199	-1,687	-14,212
Reserve with F. R. Bank.....	209,460	-1,792	+20,996
Balances with domestic banks.....	333,868	+9,425	+5,175
Demand deposits—adjusted.....	593,728	+7,201	+58,915
Time deposits.....	143,881	+44	-1,649
U. S. Govt. deposits.....	8,669	-1,519	-14,987
Interbank deposits.....	444,500	+7,270	+15,953

Reserve Bank Operations

Note circulation of this bank continues to increase, on February 15 it being over 214 million or nearly 5 million dollars above a month earlier. This figure was almost 3 million above the highest in December when the demand for currency incident to Christmas

shopping is always large. In the last year note circulation has increased over 33 million dollars.

Principal items of condition of this Reserve Bank:

	Change from		
	Feb. 19 1941	Jan. 15 1941	Feb. 21 1940
(In thousands of dollars)			
Total reserves.....	451,350	+12,844	+79,236
Bills discounted.....	374	-181	-65
Industrial advances.....	72	-7	-47
Commit. to make indust. adv.....	35	Zero	-457
U. S. Govt. sec., direct & guar....	109,695	Zero	-6,233
Total assets.....	600,312	+10,655	+77,158
F. R. notes in circulation.....	213,992	+4,678	+33,176
Member bank reserve deposits...	286,708	-3,579	+25,277

Dollar volume of check collections in January was 15 per cent larger than in the corresponding month a year ago and the number of items was 7 per cent more. Normally check transactions in January are under those of December but this year the dollar volume was larger.

Check collections through this bank and branches:

	Items	Amount
	(In thousands)	
January 1941.....	6,112	\$1,109,540
December 1940.....	6,396	1,105,708
January 1940.....	5,709	967,348

Bank Debits

Bank debits in this District in January were 7.5 and in the whole country nearly 9 per cent above a year ago. Check transactions reflect a wide range of business activity and these two figures probably give a fair indication of the relative position of this area.

Payments by check in thirty District cities:

	Jan. 1941	Jan. 1940	Change from 1940
	(Thousand dollars)		(Per cent)
Albuquerque, N.M.....	19,459	16,921	+15.0
Atchison, Kans.....	3,165	2,573	+23.0
Bartlesville, Okla.....	26,754	32,974	-18.9
Casper, Wyo.....	7,376	6,321	+16.7
Cheyenne, Wyo.....	9,754	8,302	+17.5
Colo. Springs, Colo.....	12,971	13,112	-1.1
Denver, Colo.....	171,799	151,708	+13.2
Emporia, Kans.....	3,815	3,036	+25.7
Enid, Okla.....	10,302	9,689	+6.3
Fremont, Nebr.....	3,155	2,681	+17.7
Gr. Junction, Colo.....	3,722	3,633	+2.4
Guthrie, Okla.....	1,751	1,462	+19.8
Hutchinson, Kans.....	10,583	10,460	+1.2
Indep., Kans.....	3,064	2,731	+12.2
Joplin, Mo.....	10,991	11,040	-0.4
Kansas City, Kans.....	22,839	20,141	+13.4
Kansas City, Mo.....	339,697	318,585	+6.6
Lawrence, Kans.....	3,566	3,533	+0.9
Lincoln, Nebr.....	29,629	28,410	+4.3
Muskogee, Okla.....	9,356	7,598	+23.1
Okla. City, Okla.....	111,218	111,359	-0.1
Okmulgee, Okla.....	2,721	2,692	+1.1
Omaha, Nebr.....	161,802	142,816	+13.3
Pittsburg, Kans.....	4,335	3,965	+9.3
Pueblo, Colo.....	14,970	13,336	+12.3
Salina, Kans.....	8,599	8,520	+0.9
St. Joseph, Mo.....	33,776	32,133	+5.1
Topeka, Kans.....	22,438	22,306	+0.6
Tulsa, Okla.....	134,646	131,956	+2.0
Wichita, Kans.....	56,971	43,399	+31.3
District, 30 cities.....	1,255,224	1,167,392	+7.5
U. S., 274 cities.....	41,133,000	37,786,000	+8.9

Life Insurance

Life insurance sales in the District in January were virtually unchanged from a year ago. The largest gain was in Kansas, the largest loss in Nebraska.

The Life Insurance Sales Research Bureau report:

	Jan. 1941	Jan. 1940	Change from 1940
	(Thousand dollars)		(Per cent)
Colorado.....	4,072	4,255	-4.3
Kansas.....	5,654	5,019	+12.7
Missouri.....	14,483	14,870	-2.6
Nebraska.....	4,539	4,845	-6.3
New Mexico.....	882	903	-2.3
Oklahoma.....	6,430	6,412	+0.3
Wyoming.....	876	780	+12.3
Seven states.....	36,936	37,084	-0.4
United States.....	522,762	517,622	+1.0

Trade

RETAIL SALES

The dollar volume of January sales of 73 department stores in the District was 13 per cent over last year. The gain in sales in the first two weeks of February was equally large. Retail trade in Tulsa, Oklahoma City, Kansas City, and Wichita has been especially heavy. Stocks of merchandise are 2 per cent lower than a year ago.

Department store sales and stocks in leading cities:

	No. of Stores	SALES		STOCKS	
		Jan. '41	Jan. 31, '41	Jan. 31, '41	Jan. 31, '41
		comp. to Jan. '40	comp. to Dec. 31, '40	comp. to Jan. 31, '40	comp. to Jan. 31, '40
(Per cent increase or decrease)					
Denver.....	6	+8	-1	-2	
Topeka.....	3	+9	....	....
Wichita.....	4	+12	....	....
Greater Kansas City.....	8	+14	-2	+4	
St. Joseph.....	3	+12	....	....
Omaha.....	3	+5	....	....
Oklahoma City.....	6	+20	-3	-5	
Tulsa.....	6	+29	-4	+1	
Miscellaneous.....	34	+10	-6	-5	
District.....	73	+13	-4	-2	

The sales figures of the Department of Commerce give a wider coverage of retail trade than the above department store returns. These figures show that the largest gains in January were made in Oklahoma, followed by Kansas, New Mexico, and Missouri.

Sales of independent retail stores reported by the Bureau of the Census:

	Jan. 1941 per cent change from Jan. 1940						
	Colo.	Kans.	Mo.	Nebr.	N.Mex.	Okla.	Wyo.
Apparel.....	+3	+10	+10	+8	+16	+10	+17
Automobile.....	+13	+35	+48	+41	+22	+49	+25
Department.....	+3	+8	+12	+2	....	+22	....
Drug.....	+10	+14	+8	+11	+15	+13	+11
Dry goods.....	-7	-1	+5	+6	....	+7	....
Food.....	-2	+5	-2	+2	-1	+1	+0
Furniture.....	+9	+21	+18	+27	....	+23	....
General.....	-5	+9	+5	-4	+1	+5	+0
Hardware.....	-9	+22	+25	+14	....	+19	....
Jewelry.....	+1	+29	+25	+6	....	....	....
Lbr. and mtls.....	+12	+32	+55	-5	+21	+67	+11
Miscellaneous.....	-9	+23	-2	+1	+9	+12	+21
Total.....	+4	+15	+14	+6	+14	+21	+9

The two preceding tables are based on January results. The following table summarizes retail sales for the year 1940 and covers a large number of independent stores in nearly every line of business. For the whole year, Kansas, Missouri, and Oklahoma show the best results. Among individual cities Tulsa, Wichita, and Kansas City stand out.

Bureau of the Census retail sales report:

	No. of Firms	Year '40 comp. to Year '39 (Per cent)
COLORADO	708	+2
Denver.....	234	+4
Colorado Springs.....	38	-3
Boulder.....	24	+0
Cities— 25,000 to 99,999.....	55	+2
— 10,000 to 24,999.....	88	-5
— 5,000 to 9,999.....	88	-1
— 2,500 to 4,999.....	54	+4
Places of less than 2,500.....	189	+0
KANSAS	629	+6
Kansas City.....	28	+5
Wichita.....	32	+7
Topeka.....	34	+4
Coffeyville.....	21	+11
Cities—100,000 and over.....	60	+7
— 10,000 to 49,999.....	169	+8
— 5,000 to 9,999.....	63	+5
— 2,500 to 4,999.....	77	+5
Places of less than 2,500.....	226	+5
MISSOURI	845	+5
Kansas City.....	94	+5
St. Joseph.....	28	-1
Cities—100,000 and over.....	317	+6
— 50,000 to 99,999.....	60	-1
— 25,000 to 49,999.....	22	+0
— 10,000 to 24,999.....	69	+8
— 5,000 to 9,999.....	83	+2
— 2,500 to 4,999.....	61	+5
Places of less than 2,500.....	233	+3
NEBRASKA	475	+2
Omaha.....	67	+1
Lincoln.....	42	+2
Cities— 10,000 to 24,999.....	47	+2
— 5,000 to 9,999.....	47	+2
— 2,500 to 4,999.....	29	+5
Places of less than 2,500.....	243	+2
NEW MEXICO	156	+2
Albuquerque.....	29	+0
Cities— 10,000 to 24,999.....	29	+1
— 5,000 to 9,999.....	39	-1
— 2,500 to 4,999.....	24	+16
Places of less than 2,500.....	35	-2
OKLAHOMA	542	+3
Oklahoma City.....	75	+2
Tulsa.....	64	+8
Cities—100,000 and over.....	139	+5
— 10,000 to 49,999.....	133	+3
— 5,000 to 9,999.....	103	+1
— 2,500 to 4,999.....	51	+2
Places of less than 2,500.....	116	-1
WYOMING	163	+2
Casper.....	38	+1
Cheyenne.....	24	+1
Sheridan.....	20	-1
Cities— 10,000 to 24,999.....	82	+0
— 2,500 to 9,999.....	28	+1
Places of less than 2,500.....	53	+5

WHOLESALE SALES

The volume of January wholesale sales in this District was 13 per cent over a year ago. The largest gains were in electrical goods, machinery, hardware, and furniture. Dollar inventories were 5 per cent

higher. Collections in January averaged 77 per cent as compared with 70 per cent last year.

Wholesale sales and stocks reported by the Bureau of the Census for this District:

	No. of Firms	SALES		STOCKS	
		Jan. '41 comp. to Jan. '40	Dec. 31, '40	Jan. 31, '41 comp. to Jan. 31, '40	(Per cent increase or decrease)
Auto. supplies.....	15	-10.4	-1.0	+5.8	
Drugs.....	5	+6.3	+7.4	-1.6	
Dry goods.....	3	+5.7	....	....
Electrical goods.....	14	+27.6	+8.1	+13.6	
Farm products.....	8	-3.0	-2.2	+9.8	
Furniture.....	4	+18.9	....	....
Groceries.....	26	+9.6	+5.2	+3.2	
Hardware.....	(15)	+22.3	+6.0	+9.1	
General.....	4	+7.1	+6.0	+3.2	
Industrial.....	6	+46.6	+4.8	+25.7	
Plbg. & htg.....	5	+32.7	+10.7	+8.6	
Machinery.....	3	+27.0	....	....
Tobacco and prod.....	5	+7.9	....	....
All other lines.....	21	+23.3	+9.6	+5.8	
Total.....	119	+12.6	+6.5	+5.3	

Building

The value of building permits issued in 18 cities of this District in January was 17 per cent higher than a year ago. Only three cities showed a decline.

Value of building permits issued in District cities:

	Jan.		Change from 1940
	1941	1940	
	(Dollars)	(Per cent)	
Albuquerque, N. Mex.....	231,000	147,000	+57.1
Cheyenne, Wyo.....	95,000	25,000	+280.0
Colo. Springs, Colo.....	24,000	10,000	+140.0
Denver, Colo.....	936,000	1,372,000	-31.8
Hutchinson, Kans.....	25,000	14,000	+78.6
Joplin, Mo.....	30,000	10,000	+200.0
Kansas City, Kans.....	92,000	49,000	+87.8
Kansas City, Mo.....	243,000	46,000	+428.3
Lincoln, Nebr.....	70,000	183,000	-61.7
Okla. City, Okla.....	414,000	186,000	+122.6
Omaha, Nebr.....	132,000	46,000	+187.0
Pueblo, Colo.....	69,000	59,000	+17.0
Salina, Kans.....	15,000	11,000	+36.4
Shawnee, Okla.....	11,000	2,000	+450.0
St. Joseph, Mo.....	16,000	4,000	+300.0
Topeka, Kans.....	67,000	187,000	-64.2
Tulsa, Okla.....	327,000	167,000	+95.8
Wichita, Kans.....	166,000	25,000	+564.0
District, 18 cities.....	2,963,000	2,543,000	+16.5

Construction awards in the Kansas City area in January were 133 per cent above a year ago. In the 37 Eastern states the increase was 56 per cent. The largest gains were in public works and utility construction. Some of the large defense projects awarded to this region are already under construction and contracts are now in the process of negotiation for the construction of other plants for the manufacture of armament. A large volume of defense housing is also in progress. Contracts for residential building were 69 per cent higher and retail sales of lumber were up the same amount. In the first half of February, construction awards were 27 per cent above last year, with awards for public works construction furnishing most of the increase.

Construction figures of F. W. Dodge Corporation:

	Jan. 1941	Jan. 1940	Change from 1940
	(Thousand dollars)		(Per cent)
Residential building.....	3,035	1,792	+69.4
Nonresidential bldg.....	3,457	1,650	+109.5
Public wks. construc.....	5,377	1,838	+192.5
Utility construction.....	1,953	659	+196.4
Kansas City area.....	13,822	5,939	+132.7
37 Eastern states.....	305,205	196,191	+55.6

Meat Packing

The slaughter of hogs in January was a third less than a year ago. The large marketings and slaughter of hogs in 1940 permitted packers to accumulate storage stocks and slaughter in January naturally declined with the greatly reduced marketings. The slaughter of cattle declined moderately and that of calves was more than a quarter below that of January, 1940.

January packers' purchases at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	14,666	2,845	44,471	22,235
Kansas City.....	49,937	6,678	169,902	96,130
Oklahoma City.....	18,258	7,710	47,389	8,295
Omaha.....	66,409	3,922	130,477	88,268
St. Joseph.....	21,789	2,459	71,958	99,673
Wichita.....	8,251	2,622	22,834	18,231
Jan. 1941.....	179,310	26,236	487,031	332,832
Dec. 1940.....	184,970	29,998	779,739	258,049
Jan. 1940.....	188,401	36,169	730,413	322,658

Petroleum

Crude oil production in the District in January was little changed from a year ago, although production in the United States was down 4 per cent. Increases in Kansas, Colorado, and Wyoming were offset by declines in Oklahoma and New Mexico.

Oil production reported by the American Petroleum Institute and the Department of the Interior:

	Jan. 1941	Jan. 1940	Change from 1940
	(In barrels)		(Per cent)
Colorado.....	113,000	93,000	+21.5
Kansas.....	6,027,000	5,295,000	+13.8
Nebraska.....	83,000	3,000	....
New Mexico.....	3,126,000	3,458,000	-9.6
Oklahoma.....	12,232,000	13,142,000	-6.9
Wyoming.....	2,342,000	2,038,000	+14.9
Six states.....	23,923,000	24,029,000	-0.4
United States.....	109,038,000	113,140,000	-3.6

Stocks of crude petroleum in this District remain near the low level of recent weeks. Stocks of gasoline have risen since the first of the year but are still under a year ago. The season of increased consumption is approaching and there is considerable hope that stocks will not reach the burdensome level of last spring.

Flour Milling

Southwestern flour production in January was 5 per cent above a year ago as compared with a 2 per cent increase for the whole country. The gains were at Wichita and certain other cities, output at Kansas City and Salina being lower. Bakers have been coming

into the market and the Army has bought substantial amounts of flour from southwest millers. Much interest is reported in the new enriched flour program but sales so far are said to be limited.

Flour output reported by the Northwestern Miller:

	Jan. 1941	Jan. 1940	Change from 1940
	(In barrels)		(Per cent)
Kansas City.....	533,000	574,000	-7.1
Salina.....	203,000	209,000	-2.9
Wichita.....	170,000	145,000	+17.2
Other cities.....	1,264,000	1,130,000	+11.9
Southwest.....	2,170,000	2,058,000	+5.4
United States*.....	5,666,000	5,560,000	+1.9

*Represents about 64 per cent of the total output in U. S.

Zinc and Lead

January shipments of zinc in the Tri-State district were 7 and of lead 14 per cent above a year ago. The armament program is increasing the demand for zinc and already attention is being given to ways and means of substituting other materials for certain industrial uses of this metal as a precaution against shortages and sharp price advances. Lead is also in greater demand but there are large foreign supplies of lead awaiting entrance to this country. Zinc prices are unchanged but lead prices are higher.

January ore shipments from the Tri-State district:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Kansas.....	10,369	\$ 499,169	1,407	\$ 90,689
Missouri.....	1,588	76,661	167	10,746
Oklahoma.....	23,865	1,151,414	2,237	144,053
Jan. 1941.....	35,822	\$1,727,244	3,811	\$245,488
Dec. 1940.....	48,862	2,354,603	5,120	332,423
Jan. 1940.....	33,575	1,271,727	3,333	215,113

Coal

Output of bituminous coal in the District in January was 18 per cent under a year ago, while for the country as a whole there was a decline of only 2 per cent. Very large decreases were shown in nearly all producing states of the District.

Bituminous coal production estimated from reports of the Department of the Interior:

	Jan. 1941	Jan. 1940	Change from 1940
	(In tons)		(Per cent)
Colorado.....	731,000	930,000	-21.4
Kans. and Mo.....	765,000	961,000	-20.4
New Mexico.....	104,000	125,000	-16.8
Oklahoma.....	223,000	270,000	-17.4
Wyoming.....	574,000	625,000	-8.2
Six states.....	2,397,000	2,911,000	-17.7
United States.....	43,905,000	44,976,000	-2.4

Employment and Pay Rolls

Employment in the District in 1940 had averaged 3 and pay rolls 5 per cent above the preceding year. In January, 1941, employment was nearly 4 and pay rolls about 6 per cent above a year earlier.

Preliminary figures of the Department of Labor:

	January 1941	
	per cent change from January 1940	
	Employment	Pay Rolls
Colorado.....	+3.7	+3.3
Kansas.....	+7.8	+8.0
Missouri.....	+3.6	+7.4
Nebraska.....	-2.1	-1.1
New Mexico.....	+15.2	+23.8
Oklahoma.....	+2.6	+4.5
Wyoming.....	+4.3	+9.0
Seven states.....	+3.6	+6.2

Rainfall

For the third successive month rainfall in the District has been much above normal. Reports from 40 scattered stations show precipitation in January nearly 75 per cent above normal. The Weather Bureau states that it was the third wettest January on record in Kansas and that in only one other January was there more cloudiness. In Nebraska and New Mexico rainfall was nearly twice normal and it was appreciably above normal in Colorado and Oklahoma. Only in Wyoming is a moisture shortage reported, the eastern and central sections and the Big Horn Basin being especially dry.

Grain Marketing

Marketing of wheat in January was 40 per cent above January, 1940. But the fact that this movement of wheat was 34 per cent below the ten-year average shows the abnormal factors in the grain market. At the end of 1940 there were approximately 278 million bushels of wheat under Government loan. This amount about represents that part of present stocks not required for domestic consumption. Naturally this wheat will not come out of storage until the price is attractive. Early in January prices were sufficiently high to bring about some liquidation of wheat in storage but by the third week of February wheat was ten cents under the January high and substantially under the loan rate. Movements of corn have been affected by the same factor, the market price for some time having been under the loan rate.

Grain receipts at five Districts markets in January:

	Wheat	Corn	Oats
	(In bushels)		
Hutchinson.....	869,000	1,000	....
Kansas City.....	1,848,000	767,000	106,000
Omaha.....	404,000	881,000	42,000
St. Joseph.....	130,000	418,000	256,000
Wichita.....	1,131,000	8,000	2,000
Jan. 1941.....	4,382,000	2,075,000	406,000
Dec. 1940.....	3,797,000	3,697,000	786,000
Jan. 1940.....	3,122,000	1,768,000	823,000

In the last six weeks wheat prices have lost nearly half of the advance that had taken place between August and January. It is said that farmers are becoming discouraged with the war outlook as a favor-

able market factor and in order to create sentiment among farmers for a marketing quota there is no disposition anywhere to minimize the burdensome stocks of both wheat and corn. Corn prices have been drifting lower since last May.

The lower range of cash grain prices at Kansas City:

	Feb. 25 1941	Jan. 31 1941	Dec. 31 1940	Jan. 31 1940
No. 1 hd., dk. wheat, bu..	\$.79¼	\$.79¼	\$.85¼	\$.95¼
No. 2 mixed corn, bu.....	.58¾	.58¾	.59¼	.57¾
No. 2 white oats, bu.....	.35	.35¾	.37½	.42½
No. 2 rye, bu.....	.45	.45	.49	.66
No. 2 barley, bu.....	.48	.48½	.49	.55
No. 2 white kafir, cwt....	.83	.90	.91	1.09

Farm Income

The following table shows estimates of cash farm income for the states of this District for the last four years. These estimates include Government payments. Farm income last year was 9 per cent above that of 1939 and about 20 per cent above that of 1938. The corresponding figures for the whole country are 7 and 13 per cent which indicates that this District fared better than average. Both in this District and in the United States farm income last year rose slightly above that of 1937 which until 1940 had stood as the high point of recent years. The largest relative gains over 1939 were in Wyoming, Nebraska, Kansas, and Missouri.

Department of Agriculture farm income estimates:

	1940	1939	1938	1937
	(In thousands of dollars)			
Colorado.....	141,904	134,265	122,912	151,318
Kansas.....	294,015	270,681	250,556	328,091
Missouri.....	302,097	276,536	248,876	272,814
Nebraska.....	278,468	247,152	218,939	266,943
New Mexico.....	59,592	57,452	51,139	55,591
Oklahoma.....	200,686	194,340	180,162	199,498
Wyoming.....	57,947	48,692	44,488	50,530
Seven states.....	1,334,709	1,229,118	1,117,072	1,324,785
United States.....	9,119,903	8,518,046	8,081,663	9,111,024

Livestock

MARKETINGS

January marketings of cattle were moderately higher than a year ago but those of hogs were sharply lower. Marketings of calves were also lower. Muddy feed lots were an important factor in the heavy marketings of beef steers. Cattle slaughter in the United States was the largest for any January since 1936 but that of calves was the smallest for that month since 1933. Slaughter of sheep was the smallest since 1937 and, with the exception of January last year, the slaughter of hogs was the largest since 1934.

All through 1940 hogs were marketed in large quantities, the total for the year being 25 per cent larger than that of 1939. About the middle of last December hog prices started to rise rapidly and by January hog production was again profitable. Prices that made hog raising profitable no doubt tended to keep hogs on

the farm and curtailed marketings were naturally a strengthening price factor.

January livestock receipts at six District markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	32,868	15,494	59,749	86,706
Kansas City.....	100,317	10,841	181,569	131,230
Oklahoma City.....	35,458	10,621	58,982	12,943
Omaha.....	99,304	6,527	152,632	115,107
St. Joseph.....	30,250	3,254	80,218	135,023
Wichita.....	24,123	4,362	27,213	18,436
Jan. 1941.....	322,320	51,099	560,363	499,445
Dec. 1940.....	318,454	50,356	847,994	402,170
Jan. 1940.....	306,931	55,259	814,965	458,751

PRICES

The price of hogs and lambs reached the high point of their recent rise late in January and then receded somewhat. Hog prices in the third week of February were nearly a cent under the recent high but lamb prices had regained practically all of their loss. The high point in the price of beef steers was in December. During most of January and February prices were fully a cent lower but late in February top prices of prime beef steers were still nominally quoted above 14 cents a pound. Wool values are supporting sheep prices and further improvement in consumer demand for meat is supporting cattle and hog prices, recent weakness being due principally to seasonal factors.

Top carlot livestock prices at Kansas City:

	Feb. 24 1941	Jan. 1941	Dec. 1940	Jan. 1940	Jan. 1939	Jan. 1938
	(In dollars per hundredweight)					
Beef steers.....	14.50	13.75	14.10	11.25	14.00	10.00
Stocker cattle.....	12.25	12.00	10.85	10.25	9.75	8.25
Feeder cattle.....	12.00	12.25	10.65	9.15	10.35	7.75
Calves.....	13.00	13.00	11.00	11.50	10.50	9.50
Hogs.....	7.55	8.70	6.90	5.75	7.70	8.85
Sheep.....	9.40	9.50	8.00	7.85	8.10	7.25
Lambs.....	10.50	10.65	9.50	9.25	9.10	8.35

STOCKERS AND FEEDERS

Countryward shipments of stocker and feeder cattle in January from public markets in this District were a quarter larger than last year and 10 per cent above average. But shipments of calves were less. Shipments of sheep were especially heavy, being 39 per cent above last year. Large supplies of feed and profitable prices have been favorable factors but feed lots are reported to have been unusually muddy.

Stocker-feeder shipments from four markets:

	Cattle	Calves	Hogs	Sheep
Denver.....	15,020	11,698	1	20,773
Kansas City.....	36,467	3,700	2,629	14,638
Omaha.....	22,245	2,605	855	15,358
St. Joseph.....	5,738	841	979	30,972
Jan. 1941.....	79,470	18,844	4,464	81,741
Dec. 1940.....	78,901	15,964	3,607	75,122
Jan. 1940.....	63,824	19,240	4,271	58,747

LIVESTOCK ON FARMS

Department of Agriculture estimates of livestock on farms on January 1 will be found on the following page. A discussion of these figures appears on page 1 of this issue of the Monthly Review.

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									
	1941	1940	1939	1938	1934	1941	1940	1939	1938	1934
Colorado.....	1,490	1,447	1,447	1,492	1,773	63,121	55,123	50,463	46,826	25,709
Kansas.....	3,250	2,928	2,711	2,607	3,860	135,307	111,345	99,046	80,988	58,672
Missouri.....	2,970	2,802	2,547	2,497	2,875	122,862	111,647	95,821	86,570	44,275
Nebraska.....	3,119	3,011	2,909	2,824	3,980	135,511	124,015	112,412	90,485	69,650
New Mexico.....	1,263	1,276	1,263	1,302	1,560	47,238	45,085	38,166	35,731	22,152
Oklahoma.....	2,359	2,247	2,182	2,139	2,750	79,429	69,959	65,421	56,197	30,525
Wyoming.....	779	811	828	820	1,050	35,482	34,007	30,714	26,466	16,800
Seven states.....	15,230	14,522	13,887	13,681	17,848	618,950	551,181	492,043	423,263	267,783
United States.....	71,666	68,801	66,789	66,083	74,262	3,111,925	2,793,466	2,568,251	2,417,235	1,320,340

	MILK COWS AND HEIFERS KEPT FOR MILK									
	1941	1940	1939	1938	1934	1941	1940	1939	1938	1934
Colorado.....	247	245	243	245	300	14,079	12,740	11,664	11,270	6,600
Kansas.....	796	773	765	765	967	46,168	41,742	39,780	34,425	21,274
Missouri.....	992	954	945	955	1,097	49,600	46,746	44,415	42,020	20,843
Nebraska.....	674	662	648	629	820	41,114	39,058	36,288	30,192	21,320
New Mexico.....	81	79	76	70	81	3,645	3,476	3,192	2,660	2,025
Oklahoma.....	756	727	720	713	838	34,020	30,534	30,240	26,381	13,408
Wyoming.....	69	68	68	68	78	4,416	3,944	3,740	3,400	2,106
Seven states.....	3,615	3,508	3,465	3,445	4,181	193,042	178,240	169,319	150,348	87,576
United States.....	25,917	25,397	25,088	24,834	26,931	1,577,250	1,453,756	1,397,001	1,352,014	727,039

	HOGS, INCLUDING PIGS									
	1941	1940	1939	1938	1934	1941	1940	1939	1938	1934
Colorado.....	302	403	278	253	440	2,079	2,538	2,888	2,485	1,496
Kansas.....	1,246	1,519	1,085	804	2,430	9,104	10,152	12,090	7,861	8,384
Missouri.....	3,322	3,775	3,120	2,622	4,113	23,824	27,199	32,270	27,470	14,190
Nebraska.....	1,898	2,498	1,998	1,598	5,010	18,152	21,764	26,980	19,684	21,543
New Mexico.....	103	110	92	80	67	735	765	965	770	241
Oklahoma.....	990	1,269	954	763	1,180	5,476	6,235	8,075	6,358	3,245
Wyoming.....	55	63	53	44	87	474	526	666	548	300
Seven states.....	7,916	9,637	7,580	6,164	13,327	59,844	69,179	83,934	65,176	49,399
United States.....	52,983	60,207	49,293	44,218	58,621	440,073	470,242	552,626	498,070	239,541

	ALL SHEEP AND LAMBS									
	1941	1940	1939	1938	1934	1941	1940	1939	1938	*1934
Colorado.....	2,552	2,677	2,823	2,853	3,028	18,380	18,199	16,849	17,356	12,818
Kansas.....	914	690	730	614	689	5,718	3,977	4,131	3,580	2,687
Missouri.....	1,624	1,670	1,537	1,441	1,310	10,878	10,660	9,403	9,782	4,978
Nebraska.....	931	1,037	890	859	1,055	6,420	6,616	5,425	5,015	4,395
New Mexico.....	2,341	2,433	2,334	2,385	2,757	14,191	14,025	11,906	12,369	8,822
Oklahoma.....	305	313	351	313	183	1,676	1,657	1,696	1,780	586
Wyoming.....	3,904	3,914	3,859	3,647	3,873	29,469	27,695	23,813	23,043	15,879
Seven states.....	12,571	12,734	12,524	12,112	12,895	86,732	82,829	73,223	72,925	50,165
United States.....	55,880	54,549	53,783	52,682	53,713	375,631	343,825	309,280	322,525	203,321

	HORSES AND COLTS									
	1941	1940	1939	1938	1934	1941	1940	1939	1938	1934
Colorado.....	235	240	242	249	297	10,850	12,486	14,372	16,813	12,177
Kansas.....	386	390	410	450	604	20,088	22,467	24,656	28,225	32,012
Missouri.....	524	524	524	529	531	30,314	36,296	38,264	41,465	31,329
Nebraska.....	471	481	491	523	666	22,014	27,056	30,302	35,024	38,628
New Mexico.....	121	125	127	130	143	4,771	5,362	6,170	6,669	5,720
Oklahoma.....	341	355	372	400	421	15,577	18,851	21,417	24,969	22,313
Wyoming.....	134	137	137	137	158	5,124	6,559	7,081	8,037	5,688
Seven states.....	2,212	2,252	2,303	2,418	2,820	108,738	129,077	142,262	161,202	147,867
United States.....	10,364	10,602	10,815	11,128	12,052	706,940	820,127	912,148	1,012,217	805,994

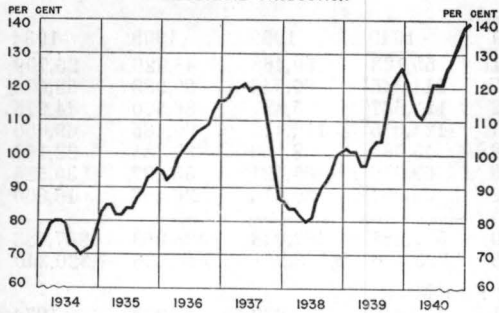
	MULES AND MULE COLTS									
	1941	1940	1939	1938	1934	1941	1940	1939	1938	1934
Colorado.....	14	14	15	16	22	872	988	1,162	1,365	1,188
Kansas.....	74	71	75	79	120	4,827	5,505	6,029	6,681	8,400
Missouri.....	219	219	219	223	264	16,794	20,322	21,587	23,993	20,328
Nebraska.....	53	56	58	61	83	3,337	4,299	4,702	5,326	6,142
New Mexico.....	14	14	15	15	19	854	933	1,130	1,197	1,045
Oklahoma.....	157	165	175	185	258	10,284	12,869	14,321	16,610	18,318
Wyoming.....	2	2	2	2	3	134	140	144	200	180
Seven states.....	533	541	559	581	769	37,102	45,056	49,075	55,372	55,601
United States.....	4,238	4,309	4,384	4,428	4,945	448,062	493,653	515,755	543,092	407,566

*State figures computed by this bank.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

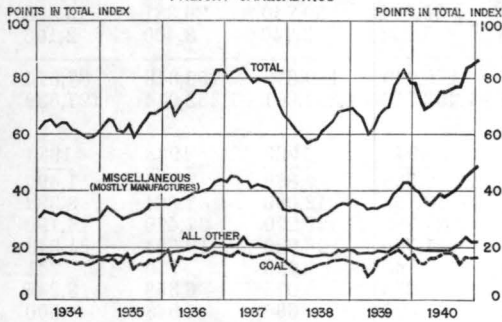
By the Board of Governors of the Federal Reserve System

INDUSTRIAL PRODUCTION



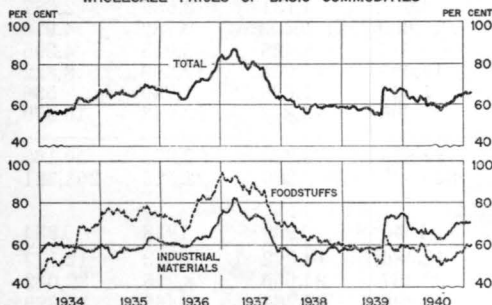
Index of physical volume of production, adjusted for seasonal variation, 1935-1939 average = 100. By months, January, 1934, through January, 1941.

FREIGHT CARLOADINGS



Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average = 100. Miscellaneous, coal, and "all other" expressed in terms of points in the total index. By months, January, 1934, through January, 1941.

WHOLESALE PRICES OF BASIC COMMODITIES



Federal Reserve groupings of Bureau of Labor Statistics' data. Thursday figures, January 4, 1934, through February 13, 1941.

MONEY RATES IN NEW YORK CITY



For weeks ending January 6, 1934, through February 15, 1941.

Industrial activity continued at a high level in January and distribution of commodities was maintained in large volume.

PRODUCTION

In January volume of industrial production declined less than seasonally and the Board's adjusted index rose one point further to 139 per cent of the 1935-39 average. There were further considerable increases in activity in industries making machinery, aircraft, ships, and similar products important in the defense program, and output of industrial materials, such as steel and nonferrous metals, continued at near capacity rates. Lumber production also was in unusually large volume owing to demand arising from construction under the defense program as well as from private building.

Automobile production, which ordinarily declines considerably at this time of year, was maintained at a high rate in January and the first half of February. This reflected in part an unusually large volume of retail sales and in part the industry's efforts to build up dealers' stocks of cars as much as possible with a view to having an adequate supply on hand in case priorities or work on defense orders should necessitate curtailment of automobile production. Currently dealers' stocks of new cars are probably near record levels.

In the cotton textile industry, activity in January showed some further increase from the record level reached in December but the rise was less than usually occurs at this season. At wool textile mills there was some decline from the high level of November and December, while output at rayon mills was maintained in large volume. Defense program orders for textiles, particularly wool and cotton products, have been substantial for some time, and these combined with considerable civilian demand have resulted in the accumulation of large order backlogs at most mills. Activity at meat-packing establishments was reduced in January owing chiefly to a sharp decline in hog slaughter, which had been exceptionally large in the latter part of 1940. Shoe production advanced by less than the usual seasonal amount following a high rate of output in November and December.

At mines output of most metals continued at record levels in January. Production of fuels was sustained in large volume but was not at such high levels as output of other minerals owing in part to the existence of considerable stocks, particularly of petroleum products.

Value of construction contracts, as reported by the F. W. Dodge Corporation, declined in January. The decrease reflected chiefly a sharp reduction in awards for public construction from the exceptionally large December total, which had included a number of defense projects not previously reported by the Dodge Corporation for lack of detailed information. Contracts awarded for private nonresidential building declined somewhat in January but as in December were twice as large as the amount awarded in the corresponding period a year ago. Awards for private residential building increased and on a seasonally adjusted basis were at the highest level since the middle of 1929.

DISTRIBUTION

Distribution of commodities to consumers in January was maintained at the high level reached in the latter part of 1940. Sales at department and variety stores declined seasonally following an unusually large amount of Christmas trade, while sales of automobiles continued near the rate prevailing in December. In the early part of February department store sales were sustained in large volume.

Total freight carloadings, which usually decline from December to January, showed little change this year and the Board's seasonally adjusted index rose two points further to 86 per cent of the 1923-25 average.

WHOLESALE COMMODITY PRICES

Prices of industrial materials and foodstuffs generally showed little change from the middle of January to the middle of February. Some imported commodities, principally coffee, cocoa, rubber, and tin, rose slightly and there were increases also in prices of lard and wool tops, while declines were reported for livestock and meats, hides, grains, lumber, and scrap metals. Prices of some finished commodities, particularly textile products, showed advances in this period.

BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities increased substantially during January and the first half of February, reflecting largely purchases of new Defense Notes issued by the Government. Commercial loans at these banks increased further while loans to New York security brokers and dealers declined.

UNITED STATES GOVERNMENT SECURITY PRICES

Prices of United States Government securities continued to decline in the latter half of January and the first half of February, more than canceling the gains from the end of October to the peak on December 10. The 1960-65 bonds on February 14 were selling on a yield basis of 2.28 per cent, compared with a low of 2.03 per cent on December 10.