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Agricultural and Business Conditions

TENTH FEDERAL RESERVE DISTRICT

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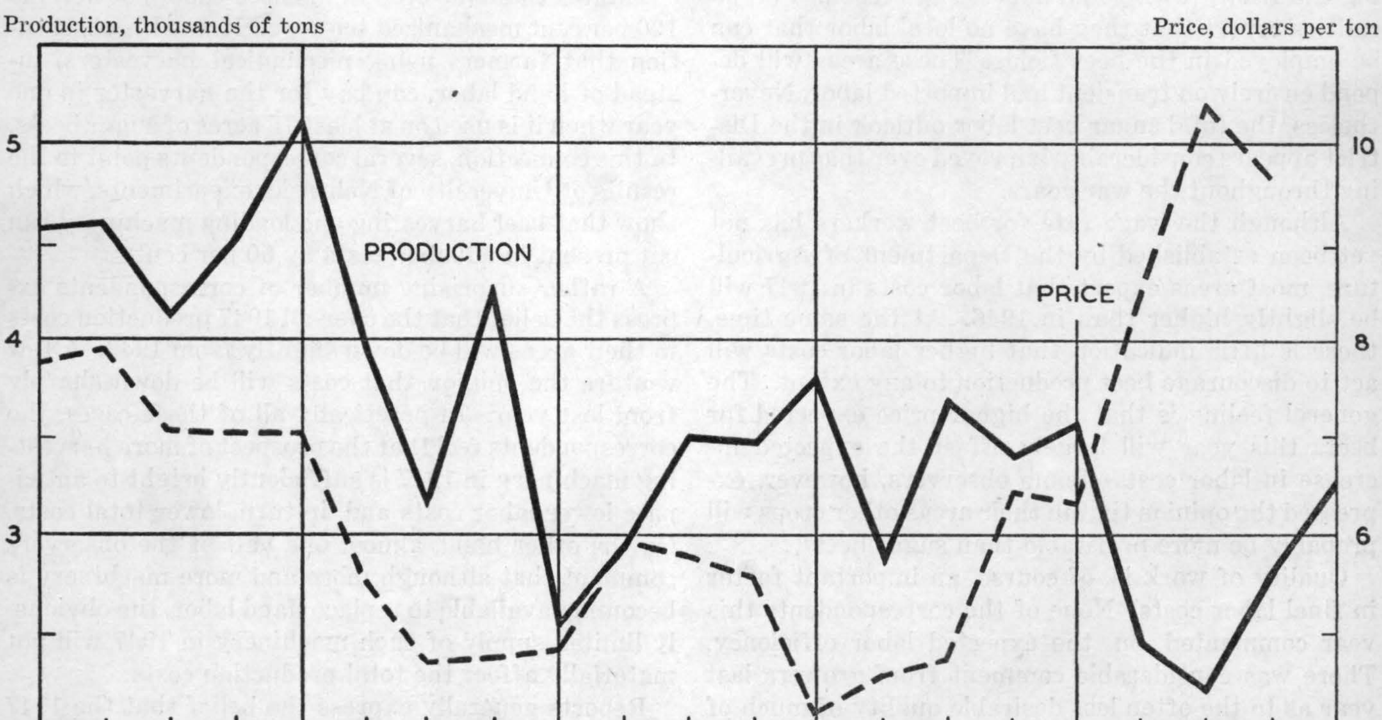
THE SUGAR BEET SITUATION

1947 Prospects The sugar beet acreage of the Tenth District in 1947 will apparently be from 7 to 15 per cent larger than that in 1946. With an average yield per acre, the prospective production will be about 10 per cent larger than that in 1946. The outlook for the supply of beet workers is much improved over last year. Labor costs, however, are expected to be about the same or slightly higher than a year ago. More beet harvesting machinery will be available, but not enough to meet the demand. In areas where there is adequate machinery, total production costs will be lower than in 1946 in spite of higher labor costs. The Government guaranteed price to growers of $14.50 per ton of beets of average sugar content is sufficiently high to encourage some increase in acreage. The return from beets in most areas is generally expected to be as favorable as that from competitive crops.

These observations on the prospects for the 1947 sugar beet crop were secured by writing to numerous county agents and sugar beet processors located in the principal beet growing areas of the Tenth District. Correspondents were asked specifically for the 1947 outlook in their communities for acreage, production, labor supply, labor cost, machinery supply, and expected profits. The answers received furnish some definite information concerning growers' intentions to plant beets this year. They also give an indication of the prospective cost and income problems with which growers will have to deal in 1947.

The comments in letters from principal beet producing sections of the District indicate quite definitely

SUGAR BEET PRODUCTION AND PRICES*



*Total production and average prices received by growers in Colorado, Wyoming, and Nebraska; price data by states are not yet available for the 1946 crop.

that the acreage of sugar beets to be planted this year will be substantially greater than the 1946 acreage. The estimated increases generally range from 1 to 30 per cent. One correspondent states that his section will plant about 2,000 acres of beets this year. This acreage compares with a planting in his community of 650 acres in 1946, and 300 acres in 1945. Several letters state only that the 1947 acreage planted will show a "large" increase over 1946; a few expect only slight increases. No letter indicates a reduction in acreage of beets in 1947.

These indicated acreages are in harmony with those of the Department of Agriculture. According to farmers' planting intentions on March 1, the 1947 acreage in Colorado will be up 7 per cent, in Nebraska up 15 per cent, and little changed in Wyoming.

The supply and cost of labor is very important in determining not only the acreage of beets that will be planted, but often the final tonnage that is actually harvested. The labor situation during the war gave added emphasis to this fact. The outlook for labor in 1947 is apparently much brighter than at this time in 1946. Correspondents in many areas report that local labor supplies are "easier" and that with transient labor, in addition to the Mexican Nationals who are generally available, no acute labor shortage is expected. A few scattered areas, however, appear to have an uncertain outlook for labor and anticipate considerable difficulty in securing adequate help during the 1947 growing and harvesting season. Two localities report that they have no local labor that can be employed in the beet fields. These areas will depend entirely on transient and imported labor. Nevertheless, the total sugar beet labor outlook in the District appears considerably improved over that prevailing throughout the war years.

Although the wage rate for beet workers has not yet been established by the Department of Agriculture, most areas expect that labor costs in 1947 will be slightly higher than in 1946. At the same time, there is little indication that higher labor costs will act to discourage beet production to any extent. The general feeling is that the higher price expected for beets this year will largely offset the expected increase in labor costs. Some observers, however, expressed the opinion that in their areas other crops will probably be more profitable than sugar beets.

Quality of work is, of course, an important factor in final labor costs. None of the correspondents this year commented on the expected labor efficiency. There was considerable comment from growers last year as to the often less desirable quality of much of the imported labor as compared with that of Prisoners of War. Growers were generally inclined to rate the Prisoners' work as usually superior to that of most foreign Nationals. In any case, observers are of the opinion that labor costs will be about the same or slightly higher than in 1946, except in cases where growers have access to harvesting machinery.

The outlook for the use of beet harvesting machinery in 1947 is not what may be termed favorable. Almost two thirds of the correspondents indicate that the supply of this machinery is still far short of the demand. Like most other types of farm machinery, however, it appears that the supply of beet harvesting machinery is increasing slowly. Most observers state that the growers in their areas are looking forward anxiously to the time when machinery can be used in all the growing and harvesting operations. Several correspondents, on the other hand, indicate that the individual acreages of beets grown in their communities are small (10 to 15 acres) and thus are not adaptable to efficient mechanization. There appears to be some question as to the economy of purchasing machinery at this time for acreages of this size, even if it were available to the growers. It is suggested that such a purchase might prove unsound in view of the present high initial cost of the machinery.

In general, growers and processors feel that mechanization of beet growing is the answer to the high production costs necessitated, until recently, by the vast amount of hand labor that must be employed in growing and harvesting operations. One correspondent states that this crop in his area could not become 100 per cent mechanized too soon. It was his observation that farmers using mechanical harvesters, instead of hand labor, can pay for the harvester in one year when it is used on at least 75 acres of sugar beets. In this connection, several correspondents point to the results of University of Nebraska experiments, which show that beet harvesting and loading machinery can cut present hand labor costs by 50 per cent.

A rather surprising number of correspondents express the belief that the over-all 1947 production costs in their areas will be down slightly from 1946. A few venture the opinion that costs will be down sharply from last year. In practically all of these cases, the correspondents feel that the prospect of more harvesting machinery in 1947 is sufficiently bright to anticipate lower labor costs and, in turn, lower total costs. On the other hand, almost one half of the observers comment that although more and more machinery is becoming available to replace hand labor, the obviously limited supply of such machinery in 1947 will not materially affect the total production costs.

Reports generally express the belief that the 1947 Government supported sugar beet price of $14.50 per ton of 16½ per cent sugar content will be adequate to encourage an increase in the acreage of beets planted this spring. In several areas last year, the return from certain competing crops was more favorable than that received from beets. There is the feeling, however, that with average production per acre and average sugar content in 1947, sugar beets will be as profitable as most crops that might be grown on sugar beet land.

New Developments In addition to the progress that has been made toward the complete mechanical harvesting of sugar beets, there are three other recent important developments in the sugar beet industry. They are (1) an insect resistant sugar beet, (2) segmented beet seed, and (3) improved sugar beet processing methods.

Generally speaking, the most serious hazard to sugar beets is not climate but diseases and pests. Losses in some growing areas have been so consistently large that sugar factories have had to be moved to other areas where disease and pests are not so prevalent. The white fly which causes curly top has long been a serious threat to sugar beets. Research over a period of years has developed a new variety of sugar beet that is highly resistant to the white fly. However, along with the favorable characteristic of being resistant to the fly, it has the disadvantage of yielding a lower tonnage and sugar content than the currently popular varieties. Further development is needed, therefore, to increase its producing properties.

The natural beet seed contains from one to four germs, so that when planted several beets usually grow in a cluster. This pattern of growth has hampered the practical mechanization of growing and harvesting sugar beets. Recently there has been developed a segmented seed which permits the grower to plant single germs rather than clusters, thus allowing easier cultivation and eliminating much of the tedious work of thinning the beet clusters.

Several new methods in the extraction and processing of sugar from sugar beets offer possibilities of improving the quality and increasing the percentage of sugar recovered from the beets—all at a reduced cost of production. One such method is through the use of synthetic resin in removing the nonsugar portion of beets. If successful, this new method of sugar extraction could replace the widely used lime and sulphur treatment, and thereby eliminate a number of rather costly processes in the manufacture of beet sugar.

BUSINESS AND AGRICULTURAL CONDITIONS

FINANCE

Member Bank Earnings Preliminary 1946 earnings figures for Tenth District member banks indicate that net profits increased by 14 per cent during the year, and aggregated 34.0 million dollars compared with 29.9 million in 1945. The country member banks accounted for nearly all of the increase, as their net profits expanded from 12.6 million dollars in 1945 to 16.6 million in 1946, an increase of 32 per cent. The net profits of the reserve city banks expanded by only 0.4 per cent, as they totaled 17.4 million compared with 17.3 million in 1945.

Total earnings of all District member banks increased by 17.2 million dollars during the year. Increases of 8.3 million in expenses and of 2.2 million in taxes on net income, together with a decrease of 2.6 million in net profits on securities sold and in net recoveries, left an increase of 4.2 million in net profits.

Total earnings of District reserve city member banks expanded by 7.1 million dollars, but increases of 4.1 million in expenses and of 1.0 million in taxes on net income, and a decrease of 2.0 million in net profits on securities sold and in net recoveries, almost completely offset the increase in total earnings. While an examination of the District country member bank figures shows increases of 4.2 million dollars in expenses and of 1.2 million in taxes on net income, and a decline of 0.6 million in net profits on securities sold and in net recoveries, an increase of 10.1 million in total earnings provided an increase of 4.1 million in net profits.

Tenth District member banks declared cash dividends on common stocks in 1946 aggregating 9.1 million dollars compared with 8.4 million in 1945. For Tenth District reserve city banks, such dividends were 4.5 million in 1946 compared with 4.3 million in 1945, while for Tenth District country banks, such dividends were 4.5 million in 1946 compared with 4.1 million in 1945.

Net profits of all member banks in the United States decreased by 5 per cent during 1946. Decreases were shown by the central reserve city banks of both New York and Chicago and by the reserve city banks. However, net profits of country banks increased.

Total earnings of all member banks in the United States expanded by 295 million dollars. Increases of 199 million dollars in expenses and of 14 million in taxes on net income, and a decline of 122 million in net profits on securities sold and in net recoveries, brought net profits to a level 39 million dollars below 1945. Total earnings of all classes of member banks exceeded the earnings of the previous year. In the central reserve city banks of New York and Chicago, however, expenses increased more than earnings. All classes of member banks experienced a relatively large decline in net profits on securities sold and in net recoveries.

Member Bank Condition The loan volume of the District member banks continued to mount during February. Country bank loans expanded by 10.5 million dollars, an expansion somewhat in excess of the average of recent months. Reserve city bank total loan volume showed little change during the month, despite considerable increase in "commercial, industrial, and agricultural" loans and in real estate loans.

Government security holdings of the District member banks also expanded during February. The Government securities held by reserve city banks increased by 17.7 million dollars, while such country bank holdings declined by 7.1 million. The United States Treasury retirement of 1.0 billion dollars of the Series B-1947 Treasury certificates which matured February 1 was a factor tending to decrease certificate holdings. On the basis of weekly reporting bank data, it appears that reserve city banks made net purchases of all other classes of Government securities, particularly Treasury bills.

Total deposits of all member banks increased by 63.0 million dollars during the month of February, with 55.5 million of the increase occurring in reserve city banks and 7.5 million in country banks. In the country banks, it was chiefly the increase in Government deposits that led to the increase in total deposits. There were no calls by the United States Treasury upon war loan accounts, and, consequently, the sales proceeds of United States savings bonds and Treasury tax notes added to the level of war loan accounts. Other demand deposits of country banks declined, and time deposits expanded. In the reserve city banks, all classes of deposits increased. The largest increase was that of 29.1 million dollars in interbank deposits, an increase which approximately offset the decrease in that class of deposits during January.

Principal items of condition of all member banks:

	Feb. 26 1947	Jan. 29 1947	Dec. 31 1946
	(In millions of dollars)		
Loans and discounts	1,035	1,024	1,003
U. S. Government obligations	2,773	2,763	2,754
Other securities	316	315	314
Reserve with F. R. Bank	758	776	764
Demand balances with banks in U.S.	649	632	684
Cash items in process of collection	265	217	252
Gross demand deposits	4,923	4,863	4,912
Deposits of banks	970	946	976
War loan accounts	143	116	101
Other demand deposits	3,810	3,802	3,835
Time deposits	656	654	649
Total deposits	5,580	5,517	5,561
Borrowings from F. R. Bank	3	6	3

Weekly Reporting Banks The more recent information available on the District weekly reporting member banks indicates a continuation of loan volume expansion through March 19. While total loan volume expanded by 8.2 million dollars during the four-week period ended March 19, "commercial, industrial, and agricultural" loans increased by 9.4 million and real estate loans by 1.4 million. On March 19, the volume of "commercial, industrial, and agricultural" loans of the District reporting banks was 381 million dollars. At this level, such loans were 59 per cent above the level a year earlier and 72 per cent above that of two years earlier. Real estate loans amounted to 65 million dollars on March 19, and at this figure were 53 per cent above one year ago and 76 per cent above two years ago.

Government security holdings of the District reporting banks declined by 12.1 million dollars between February 19 and March 19, while other investments expanded by 1.0 million. A decline of 14.0 million dollars in Treasury notes reflected the retirement of the B-1947 Treasury note issue of 1.9 billion dollars which matured on March 15. Treasury certificate holdings increased slightly, despite the retirement by the Treasury of approximately 1.0 billion dollars of the C-1947 certificate issue of 3.1 billion which

BANK DEBITS

	Feb. 1947	2 Mos. 1947	Change from '46 Feb.	Change from '46 2 Mos.
	(Thousand dollars)		(Per cent)	
COLORADO				
Colo. Springs	27,874	61,054	0	+7
Denver	377,782	814,537	+20	+22
Gr. Junction	10,814	22,962	+24	+24
Greeley	13,622	33,792	+14	+29
Pueblo	27,131	60,389	+25	+26
KANSAS				
Atchison	13,517	28,105	+113	+40
Emporia	8,174	18,072	+1	+11
Hutchinson	37,637	88,768	+15	+17
Independence	5,859	12,952	+12	+20
Kansas City	49,859	109,377	+29	+25
Lawrence	8,198	17,883	+17	+21
Parsons	6,267	13,841	+21	+25
Pittsburg	9,468	19,056	+13	+13
Salina	30,787	73,427	+24	+35
Topeka	76,445	161,634	+29	+30
Wichita	173,418	421,009	+23	+25
MISSOURI				
Joplin	25,066	51,054	+18	+14
Kansas City	816,475	1,760,621	+29	+29
St. Joseph	80,996	176,106	+33	+37
NEBRASKA				
Fremont	11,248	24,161	+51	+56
Grand Island	16,462	36,591	+4	+20
Hastings*	11,380	24,764	....	....
Lincoln	59,293	128,023	+16	+15
Omaha	410,134	880,900	+17	+24
NEW MEXICO				
Albuquerque	57,763	126,808	+28	+24
OKLAHOMA				
Bartlesville	54,935	114,523	+27	+26
Enid	36,633	78,926	+89	+73
Guthrie	3,933	7,755	+38	+13
Muskogee	19,614	48,189	+31	+43
Okla. City	226,538	490,810	+26	+22
Okmulgee	5,695	11,368	+13	+8
Tulsa	288,050	620,394	+23	+27
WYOMING				
Casper	15,545	36,537	+35	+40
Cheyenne	24,234	55,409	+44	+27
District, 33 cities	3,029,466	6,605,033	+24	+26
U. S., 334 cities	81,569,000	174,986,000	+10	+7

*Not included in total; new reporting center beginning November, 1946.

matured March 1. Substantial purchases of Treasury certificates by two reporting banks more than offset the decrease in the holdings of other reporting banks. Although 35 of the 50 District reporting banks held no Treasury bills during the period under review, bill holdings of all District reporting banks increased by 8.2 million dollars. Government bond holdings of all District reporting banks decreased by 7.3 million dollars, despite an increase in Government bonds by several reporting banks.

The total volume of deposits of the District weekly reporting banks was approximately the same on March 19 as on February 19. A Treasury withdrawal from war loan accounts on March 15 brought a decline in Government demand deposits. Interbank demand deposits also declined. These declines were offset by increases in other demand deposits and in time deposits.

Principal items of condition of 50 member banks:

	Mar. 19 1947	Change from Feb. 19 1947	Change from Mar. 20 1946
	(In thousands of dollars)		
Loans and investments—total	2,122,471	−2,929	−343,836
Loans—total	571,147	+8,174	+147,991
Coml., indust., agric.	380,998	+9,350	+141,151
To security brokers and dealers.	4,297	−1,727	−2,585
Other to purchase or carry secur.	25,851	−233	−34,646
Real estate loans	64,940	+1,351	+22,556
Loans to banks	197	+77	−481
All other loans	94,864	−644	+21,996
Investments—total	1,551,324	−11,103	−491,827
U. S. Govt. securities—total	1,386,240	−12,147	−504,785
Bills	47,060	+8,180	−18,603
Certificates of indebtedness	308,830	+936	−266,935
Notes	153,384	−13,990	−199,418
Bonds	876,703	−7,264	−19,825
Guaranteed obligations	263	−9	−4
Other securities	165,084	+1,044	+12,958
Reserves with F. R. Bank	432,735	+3,403	+2,351
Balances "due from" banks—net	260,347	−5,585	−488
Demand deposits—adjusted	1,466,679	+8,485	+68,391
Time deposits	322,588	+901	+22,275
U. S. Govt. deposits	70,175	−4,203	−382,677
Deposits "due to" banks—net	824,443	−4,979	−37,033
Borrowings	4,500	−7,045	−22,700

DEPARTMENT STORE TRADE

Dollar volume of sales at reporting department stores in this District last January had been 14 per cent above a year earlier, but in February the increase measured only 5 per cent and in the first three weeks of March sales were only 4 per cent larger than a year ago despite the earlier Easter date this year. Since retail prices are appreciably higher than last year, the physical volume of merchandise moving into consumption through department stores probably is somewhat below last year. Dollar sales of men's clothing, piece goods, housefurnishings, and appliances show pronounced gains over a year ago, but dollar sales of women's wear and many accessory items are down rather sharply. Department store sales increased much less than is usual from January to February, and the seasonally adjusted index of daily average sales declined from 281 per cent of the 1935-39 average in January to 274 per cent in February.

Outstanding orders decreased sharply during February and at the end of the month were 41 per cent smaller in value than a year ago. Stocks of merchandise, in terms of retail value, increased less than is usual during February, and the seasonally adjusted index of stocks declined from 298 per cent of the 1935-39 average at the end of January to 294 per cent at the end of February. Nevertheless, the value of stocks on hand was 79 per cent larger than a year earlier, and stocks of most types of merchandise appear to be adequate.

Department store sales and stocks in leading cities:

	No. of Stores	Sales: Feb. '47 comp. to Feb. '46	Sales: 2 Mos.'47 comp. to 2 Mos.'46	Stocks: Feb. 28,'47 comp. to Feb. 28,'46
		(Per cent increase or decrease)		
Denver	6	+13	+20	+82
Pueblo	3	−3	+9	+70
Hutchinson	4	+1	+7	+66
Topeka	4	+10	+15	+62
Wichita	4	−10	−4	+59
Joplin	3	0	+6	+110
Kansas City	8	+8	+7	+94
St. Joseph	4	+1	+4	*
Omaha	5	−1	+10	*
Oklahoma City	6	+4	+5	+58
Tulsa	4	−1	+6	*
Other cities	32	+4	+7	+69
District	83	+5	+9	+79

*Not shown separately but included in District total.

INDUSTRIAL PRODUCTION

Meat Packing Slaughter operations in the District during February, as measured by packers' purchases at principal markets, were down substantially from January levels. The declines were: cattle, 13 per cent; calves, 21 per cent; hogs, 37 per cent; and sheep, 13 per cent. A slackening of receipts of all classes of livestock, noticeable by mid-February, was the principal factor in lowering slaughter operations. The declines of February livestock receipts from January at principal markets in the District were: cattle, 20 per cent; calves, 26 per cent; hogs, 39 per cent; and sheep, 10 per cent. Even the record prices paid for hogs on most markets toward the close of February did not encourage sufficient marketings to allow for any substantial increase in the volume of hogs slaughtered. Although the February volume of cattle slaughter was below January, it was still 28 per cent above February last year. Cattle slaughter under Federal inspection throughout the entire country in February was 13 per cent above the levels in February, 1946. Federally inspected slaughter of hogs and sheep for the month, however, was 17 and 42 per cent, respectively, below the volume in February, 1946.

Some concern has been expressed regarding the present level of meat prices from the standpoint of continued consumer demand. A number of persons in the meat industry are of the opinion that there is evidence of definite consumer resistance to the present price level of many meat items. Livestock producers, likewise, have given some indication that they would favor some downward adjustment of livestock prices. A suggestion that such adjustment may have already occurred was the $10.00 per hundredweight decline in the wholesale price of dressed pork loins in New York during the second week in March. The New York market is an excellent barometer for gauging the prices at which a given quantity of meat will move into consumption.

The March 1 cold storage report indicated that a substantial volume of meat and frozen poultry moved into cold storage during February. The amount of the increase, however, was not as large as usual at this season of the year. With the exception of pork, cold storage stocks of meat on March 1 were above the average for that date during the last five years. The amount of pork in cold storage on March 1 was over 100 million pounds below the average. Statistics show, however, that the total amount of pork that is stored in the United States has been declining each year since 1916.

Flour Milling The most outstanding development affecting the milling industry during February was the continued higher trend of wheat prices. Higher wheat prices during February and early March brought a consequent rise in the price of flour and millfeeds. Of immediate importance to consumers was the resulting higher price of bread. In many sections of the country the price of bread was raised from 1½ to 3 cents a loaf.

Flour milling operations in the Southwest during February averaged about 100 per cent of capacity as compared with 102 per cent in January. This level of operations resulted in a decline of 2 per cent from January in actual flour output. Mills continued to operate on low reserve supplies of wheat. Likewise, baking concerns limited flour purchases largely to a week-to-week basis and maintained reserve stocks at a minimum. The domestic and foreign demand for flour declined rather steadily throughout February. Some volume of 80 per cent extraction flour was moved into the export trade, notably to Italy and Holland. Higher wheat and flour prices had by mid-March discouraged inquiries from foreign outlets, with the principal exception of Holland.

Petroleum The demand for oil for heating purposes has expanded sharply since the close of the war, and the industry is not only faced with the problem of meeting the needs of present consumers but must also plan for the tremendous demand of future fuel users. This fact is brought out vividly by a recent Department of Commerce report, in which it was revealed that unfilled orders for new oil burners amounted to over a million units at the close of 1946. This is almost twice the number of oil burners shipped during 1946 and is more than a year's production at the December rate of output. These figures, which undoubtedly contain some duplication, do not include so-called range burners, the demand for which has also greatly increased.

The petroleum industry was particularly interested in a recent survey of the American Road Builders Association, in which it was pointed out that a billion more gallons of gasoline were consumed in 1946 than in 1941, although there were 1,359,000 fewer cars and trucks registered. Gasoline consumption in the early months of 1947 was at an exceptionally high level for this season of the year. In March, when demand is usually at its lowest level, gasoline prices not only were firm but even advanced in many parts of the country, following a 25-cent rise in the price of crude oil. It is important to note, however, that this demand will in all probability be still heavier, as recent surveys indicate that approximately 30 per cent of the families in the nation are waiting to buy new motor cars.

During February, crude oil production in the Tenth District attained a daily average rate of 890,000 barrels. This was 3 per cent larger than that reported for February a year earlier and was the highest since August of last year. Production in the United States also showed a gain over February, 1946, with the national output reaching a daily average of 4,783,000 barrels.

Estimated gross crude oil production, based upon reports of the Oil and Gas Journal and the Bureau of Mines:

	Feb. 1947	2 Mos. 1947	Change from '46 Feb.	Change from '46 2 Mos.
	(Thousand barrels)		(Per cent)	
Colorado	1,069	2,220	+56	+56
Kansas	7,638	15,514	+7	+3
Nebraska	20	41	−5	−11
New Mexico	2,895	6,087	+6	+5
Oklahoma	10,337	21,574	−5	−6
Wyoming	2,958	6,159	+5	+7
Six states	24,917	51,595	+3	+1
United States	133,924	277,736	+1	+1

Definite progress has been made by the War Assets Administration in disposing of the Government's war-built, 100-octane aviation-gasoline plants and related facilities. While little of the equipment will be used for its original purpose, most of it will fill many needs in the petroleum and chemical industries. In the Tenth District, three plants located at Denver, at Cyril, Oklahoma, and at Coffeyville, Kansas, have already been sold to their wartime operators, while negotiations are definitely under way for the sale of two other plants, located at Ponca City, Oklahoma, and at Cheyenne, Wyoming. At Beckett, Oklahoma, however, the 100-octane plant, costing $14,865,000 and one of the largest wartime facilities in the District, has been shut down and no serious negotiations are under way at the present time.

Employment Total nonagricultural employment in the Tenth District increased seasonally during December, the latest month for which detailed figures are available. The level reached was 5 per cent above the corresponding month a year earlier and was the highest since July, 1945. All the states of the District, except Wyoming, showed increases over December a year ago. For the entire year 1946, however, nonagricultural employment in the District averaged 2 per cent below 1945, with percentage changes ranging from an increase of 5 per cent in New Mexico to a decrease of 9 per cent in Kansas.

According to preliminary estimates of the Bureau of Labor Statistics, total nonagricultural employment in the nation declined seasonally in January to slightly under 40 million. This December to January drop of 1.1 million workers was caused largely by post-holiday layoffs at retail establishments, reduced activity of Government post offices, further curtailment in construction, and inventory shutdowns in some manufacturing plants. Nonfarm jobs, however, still totaled 2.6 million more than in January a year earlier, with contract construction employment up 33 per cent and manufacturing workers numbering 14 per cent more than in January, 1946. According to the Census Bureau, unemployment in the nation increased seasonally in January, reaching a level of 2,400,000. The increase during the month, however, was almost entirely among men workers, as most of the women "temporary" employees released during January dropped out of the labor market.

In the Tenth District, preliminary estimates for January show manufacturing employment at a level slightly lower than that of the previous month but substantially above that reported for January, 1946. The December to January decline in Colorado and Wyoming was caused primarily by curtailed activity in the beet sugar refining industries, while a shortage of fabricated materials in automobile assembly plants was largely responsible for reduced manufacturing employment in Missouri. It is interesting to note that in contrast to the seasonal decline in the construction industry of the nation and of the Tenth District, the number of workers employed by Colorado construction contractors showed an increase of 4 per cent in January.

Estimates of total nonagricultural employment for December as reported by the Bureau of Labor Statistics:

	Dec. 1946	Aver. 12 Mos. 1946	Change from '45 Dec.	Change from '45 12 Mos.
	(Number)		(Per cent)	
Colorado	285,000	271,300	+7	+4
Kansas	351,000	338,400	+5	−9
Missouri	941,000	910,500	+8	−1
Nebraska	252,000	244,700	+2	−4
New Mexico	85,200	85,100	+1	+5
Oklahoma	352,000	344,000	+3	−5
Wyoming	61,000	61,900	−16	−2
Seven states	2,327,200	2,255,900	+5	−2
United States	40,726,000	38,944,000	+9	+3

AGRICULTURE

Crops There were several areas in the District that were badly in need of topsoil moisture in February. The most notable of these sections were northeastern New Mexico, central and northwestern Oklahoma, eastern and southwestern Kansas, and western and southeastern Nebraska. Dust was again blowing in several of these areas. It is reported, however, that so far there has been no extensive damage to wheat from the mid-winter drought. In general, the snows that fell in the more eastern portion of the District the last of February provided much needed moisture. Scattered snow and rains in early March furnished additional topsoil moisture for spring crops in most areas. However, by mid-March, surface moisture was still lacking in parts of southwestern Kansas, western Oklahoma, New Mexico, southeastern Colorado, and western Nebraska.

Field work and spring seeding in the District were subject to constant interruption because of periods of extremely cold weather and the dry condition of the topsoil. It is said that spring work has been seriously delayed in the more southern sections of the District by reason of dry topsoil. However, the Department of Agriculture reports excellent prospects throughout the United States for another year of record crop production.

Wide attention was focused on the trend of grain and feed prices during February. The sharp upward turn in wheat prices was a particularly outstanding feature of these markets. The nominal quotation on No. 1 dark and hard wheat on January 31 at Kansas City was $2.11 per bushel. On February 25, this grade was nominally quoted at $2.31¼ per bushel. The price on March 18 was $2.81¼ per bushel. Cash prices of No. 2 mixed corn were nominally quoted at Kansas City on February 25 at $1.39¼ per bushel and on March 18 at $1.68½ per bushel. Likewise, prices of other feed grains and processed feeds tended strongly upward during the month. The strong domestic demand for grain for processing and feeding and an upward reappraisal of the level of present and prospective exports were leading factors in bringing about higher grain prices. Relatively low stocks of grain at terminal positions and the shortage of boxcars to move grain from country points were additional strong influences in the bullish market. Some sources point to the speculative interest in the market as being a decided influence in grain price trends. There continues to be a short supply of most grains at terminal markets to fulfill contracts for delivery of grain on futures contracts. This situation became very acute in early March when most contracts for current delivery of wheat and corn at Kansas City and other terminal markets were delinquent.

The lower range of Kansas City cash grain prices:

	Mar. 26 1947	Feb. 28 1947	Jan. 31 1947	Feb. 28 1946
No. 1 dk., hd. wheat, bu.	\$2.89½	\$2.48	\$2.11	\$1.70⅛
No. 2 mixed corn, bu.	1.83¼	1.48½	1.28	1.13⅞
No. 2 white oats, bu.	.95	.88½	.80	.77¾
No. 2 rye, bu.	3.20	3.30	2.83	2.07
No. 2 barley, bu.	1.56	1.36	1.25	1.17
No. 2 white kafir, cwt.	3.12	2.60	2.21	2.42½

Livestock Hog prices at Kansas City established a new all-time record of \$30.00 per hundredweight on February 25. Prices on that day advanced from \$1.00 to \$1.50 over the previous day's market. The highest price paid for hogs at Kansas City following World War I was \$23.40. The light receipts at terminal markets throughout the month, and the continued strong consumer demand for pork, were the principal factors that acted to bring about record high hog prices. The market weakened somewhat in early March and top prices generally were \$1.00 to \$2.00 per hundredweight under the record price of \$30.00. The bulk of the sales, however, averaged around \$27.00 per hundredweight on March 18. Cattle prices throughout February were generally steady to slightly higher. The top price paid for beef steers in mid-February was \$25.50 per hundredweight. By March 15 top steer prices were at or about \$27.00 per hundredweight.

Top carlot livestock prices at Kansas City:

	Mar. 26 1947	Feb. 1947	Jan. 1947	Feb. 1946	Feb. 1945	Feb. 1944
	(In dollars per hundredweight)					
Beef steers	25.25	25.50	30.00	17.65	16.60	16.25
Stocker cattle	19.00	20.50	19.50	16.00	14.40	14.50
Feeder cattle	21.75	22.25	21.00	16.15	14.50	14.65
Calves	25.00	26.00	24.00	17.00	14.00	14.00
Hogs	27.00	27.35	24.50	14.55	14.50	13.60
Lambs	25.00	25.00	23.85	15.25	17.00	16.50
Slaughter ewes	10.35	8.85	8.00	15.00	9.50	8.60

Livestock continued in good condition in most areas of the District in February. There were scattered reports of cattle losing flesh as a result of severe weather and short pasture, and supplementary feeding was increasing in many sections. The strong demand in February for hay and other roughage feed was a reflection of this situation.

The 1946 production of shorn wool in the Tenth District was estimated by the Department of Agriculture at 62,800,000 pounds. This production is 9 per cent below the 1945 output of 69,050,000 pounds. The 1946 production of shorn wool in the United States was the smallest since 1926. Production of all wool, including pulled wool, in the United States was the smallest since 1927.

Department of Agriculture shorn wool estimates:

	Production 1946	1945	1939	Cash Income 1946	1945	1939
	(Thousands of pounds)			(Thousands of dollars)		
Colorado	12,118	12,885	13,406	4,847	5,154	2,949
Kansas	3,583	4,718	4,356	1,326	1,746	784
Missouri	7,631	8,619	9,387	3,281	3,706	2,159
Nebraska	2,154	2,724	3,418	840	1,062	615
New Mexico	12,141	13,868	15,451	4,249	4,992	3,245
Oklahoma	1,223	1,536	2,697	428	584	432
Wyoming	23,950	24,700	30,729	9,340	9,633	6,453
Seven states	62,800	69,050	79,444	24,311	26,877	16,637
United States	279,919	307,949	361,689	118,395	129,122	80,683

Farm Income The cash receipts from farm marketings in the District during December, 1946, were about 384 million dollars. This was an increase of 46 per cent over the farm income recorded for December, 1945. The higher level of farm prices in December, 1946, accounts for a large part of the increase over the farm income of December, 1945. Cash farm income in the District for the twelve months of 1946 was 19 per cent larger than for the twelve months of 1945. The 19 per cent increase of 1946 farm income over 1945 was due to a 26 per cent greater income from crops and a 15 per cent greater income from livestock. The total volume of grain and livestock sold throughout 1946, however, was only slightly larger than the volume marketed in 1945.

Cash farm income in the District in January, 1947, was 48 per cent larger than in January, 1946. Most of this increase was the result of substantially larger returns from the sale of livestock. While farmers in recent months have received record high prices for many farm products, it is important to keep in mind that their costs of production have likewise reached new record heights.

Department of Agriculture estimates of cash receipts from farm marketings:

	Jan. 1947	Jan. 1946	Change from Jan. 1946
	(Thousand dollars)		(Per cent)
Colorado	32,634	22,550	+45
Kansas	89,737	57,805	+55
Missouri	80,522	51,084	+58
Nebraska	97,622	69,071	+41
New Mexico	5,680	4,901	+16
Oklahoma	37,333	27,063	+38
Wyoming	6,319	4,041	+56
Seven states	349,847	236,515	+48
United States	2,144,318	1,534,487	+40