Index numbers of prices paid by farmers for commodities bought for family maintenance and for commodities bought to be used in production

(Average 1910-1914 = 100)

<table>
<thead>
<tr>
<th>Item</th>
<th>Mar. 1930</th>
<th>Dec. 1930</th>
<th>Mar. 1931</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodities bought for family maintenance</td>
<td>157</td>
<td>142</td>
<td>136</td>
</tr>
<tr>
<td>Food</td>
<td>148</td>
<td>126</td>
<td>119</td>
</tr>
<tr>
<td>Clothing</td>
<td>174</td>
<td>160</td>
<td>153</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>132</td>
<td>124</td>
<td>121</td>
</tr>
<tr>
<td>Furniture and furnishings</td>
<td>204</td>
<td>188</td>
<td>178</td>
</tr>
<tr>
<td>Building materials for house</td>
<td>174</td>
<td>165</td>
<td>159</td>
</tr>
<tr>
<td>Commodities bought for use in production</td>
<td>141</td>
<td>135</td>
<td>129</td>
</tr>
<tr>
<td>Food</td>
<td>120</td>
<td>109</td>
<td>98</td>
</tr>
<tr>
<td>Machinery, including automobiles</td>
<td>161</td>
<td>154</td>
<td>153</td>
</tr>
<tr>
<td>Machinery, excluding automobiles</td>
<td>169</td>
<td>165</td>
<td>155</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>128</td>
<td>127</td>
<td>121</td>
</tr>
<tr>
<td>Building materials other than for house</td>
<td>161</td>
<td>153</td>
<td>147</td>
</tr>
<tr>
<td>Equipment and supplies</td>
<td>126</td>
<td>122</td>
<td>117</td>
</tr>
<tr>
<td>Seed</td>
<td>169</td>
<td>169</td>
<td>176</td>
</tr>
<tr>
<td>Prices received for farm products</td>
<td>126</td>
<td>97</td>
<td>91</td>
</tr>
<tr>
<td>Prices paid by farmers for commodities bought</td>
<td>131</td>
<td>139</td>
<td>134</td>
</tr>
<tr>
<td>Ratio of prices received to prices paid</td>
<td>83</td>
<td>70</td>
<td>68</td>
</tr>
<tr>
<td>Farm wages paid to hired labor</td>
<td>162</td>
<td>129</td>
<td>127</td>
</tr>
<tr>
<td>Commodities bought for production and farm wages</td>
<td>146</td>
<td>133</td>
<td>129</td>
</tr>
</tbody>
</table>

Price paid by farmers for commodities they buy continued to decline from Dec. 15, 1930 to Mar. 15, 1931 in response to declining wholesale prices. The index of prices paid by farmers on Mar. 15 at 129 was 5 points lower than on Dec. 15, 17 points below March last year and 22 points or 14 per cent below the level of prices from 1925 to 1929. Prices received for farm products declined relatively more from Dec. 15 to Mar. 15 than prices paid by farmers and the ratio of prices received to prices paid declined from 70 to 68, which means that a greater amount of farm products must be given in exchange for the same amount of commodities bought.

The index for all groups of commodities declined or remained the same except for seeds. The short crop of some kinds of grass seeds last fall due to the drought resulted in an advance of 7 points in the seeds index both compared with Dec. 15 and with a year ago. Food prices again made the greatest declines, amounting to 11 points, and resulting in a level of prices below the pre-war level. Other marked declines were furniture and furnishings 10 points, food and clothing 7 points, and building materials and fertilizer 6 points. All other groups made some declines except farm machinery prices which were unchanged. The index of farm wages for March also declined instead of making the usual seasonal advance so that the combined index of farm wages and commodities bought for production continued downward being 129 on Mar. 15 compared with 133 Dec. 15 and 146 a year ago.
Prices received by farmers, wholesale prices and retail prices in the larger cities have all continued to decline since March 15, so it is probable that the trend of prices paid by farmers for commodities they buy has also continued downward. Since prices paid by farmers usually continue to decline for several months after wholesale prices become stabilized it is likely that the prices paid by farmers will continue to decline for some time.
THE PRICE SITUATION, MAY 1930

FARM PRICES

The general level of farm prices advanced slightly between March 15 and April 15 as a result of higher prices for most of the items included in the index except livestock and wool. Since then both crop and livestock prices have again declined, except cotton, and the general average of farm prices during the first half of May was lower than on April 15.

On April 15 the index of farm prices at 127 was one point higher than on March 15 and 11 points lower than on April 15, 1929. The advances between March 15 and April 15 of 3 points in the index for grains, one point in the index for dairy and poultry products and 7 points in the index for cotton were partly offset by a 5 point decline in the index of meat animals. The present low level of farm prices may be compared with the low levels reached in preceding declines, namely 110 in June 1921, 129 in May of 1924 and 125 in April of 1927.

THE GENERAL COMMODITY PRICE LEVEL

The trend in commodity prices in general was downward during April. According to the annalist weekly index, prices on May 6 were at the lowest level since 1916, being 132 per cent of 1913 compared with 135 during the first week of April and 143 a year ago.

Six of the eight groups of commodity prices included in the index averaged lower in the first week of May than during March and April, the exceptions being building material prices which have remained unchanged for several weeks, tho on a lower level than in earlier months, and fuel prices which advanced noticeably during the last half of April.

Farm product prices according to the annalist index averaged 125 or 5 points lower on May 6 than on April 8 and 14 points lower than on April 7 of last year. Food products at 134 declined 3 points during the month and were 9 points below last year's level. Textile products declined 4 points to 126 during the month and were 24 points below the corresponding date last year. Metal prices declined 8 points to 113, largely as a result of the considerably delayed reduction in copper prices, and 15 points below last year's index. Fuel and building material prices at 150 are only 4 points below last year's averages.

Since the peak in the general commodity price level last July, prices of farm products at the central wholesale markets declined from 147 to 125, prices received by farmers from 140 to 127 and prices paid by farmers from 156 to about 153.
The trend in the general level of commodity prices during the summer months will depend in part on domestic crop developments, particularly the grain and cotton crops and the extent to which low interest rates here and abroad and other factors will serve to check the downward course of non-agricultural prices and start a revival in industrial activity.

BUSINESS CONDITIONS

The general business situation during April was not materially different from that of March. Judging from data so far available, general industrial activity in April probably remained very close to the low level reached so far this year, while factory and mining production combined remained somewhat above the low level of last December. Such general measures of business activity as freight car loadings and electric power consumption showed the lowest levels of this recession in March with possibly a slightly improved level in April. Building activity continues low, though somewhat above the very low level of last December, as indicated by contracts awarded. During both March and April contracts awarded failed to show the usual seasonal increase. These measures of business activity together with declining commodity prices, indicate that no general improvement has yet taken place in the employment situation and in the buying power of consumers. The lower level of purchasing power during April as compared with that of a year ago, continued to be reflected in the prices of agricultural products.

During April interest rates were further reduced reflecting increased monetary gold supplies in the United States and the continued large volume of additional credit made available by the Federal Reserve banks, but the low interest rates at New York have only in part been reflected in rates charged to customers in the eastern industrial centers and to a still smaller extent in the southern and western States (according to data of the Federal Reserve Board). So far the period of low money rates has had no appreciable influence in expanding commercial bank credit. Base in the New York money market, however, has been gradually extending to other parts of the country and this usually leads to a cheapening of commercial credit and facilitates an improvement in business. Industrial stock prices after a fairly continuous recovery since December declined during the last part of April and the first week in May, but turned upward again in the second week of May.

There is little in prospect to indicate that the buying power of consumers during the next month or two will be materially different from that at present, but improvement will of course take place as business reacts to low interest rates and to other factors that may stimulate business activity.

WHEAT

The foreign demand for wheat continues poor but some improvement is probable in the next few months. Crop conditions reported to date do not indicate any material reductions in production such as occurred in Canada last year. The carryover in the United States will be large but stocks on
hand July 1 in foreign countries are likely to be smaller, especially in 
Argentina. With small stocks in Argentina, conditions will probably result 
in exportations of United States wheat early in the season being larger 
than last year.

May 1 conditions indicate that the hard winter wheat crop may be 
about 53 per cent less than a year ago, and stocks of old wheat remaining 
in the Southwest are only moderate. Farm stocks are relatively low and the 
terminal markets excepting Kansas City, are being fairly well cleared for 
the new crop. The smallness of the Argentine supplies to be shipped should 
leave the way clear for exporting from the Gulf ports in June and July much 
more wheat than was exported from those ports a year ago. The soft red 
winter wheat crop appears likely to be 10 per cent less than that of 1929. 
This would provide no exportable surplus of this wheat. The white wheat 
crop is also smaller but the reduction in that crop may be offset in large 
part by larger stocks on hand in the Northwest. The opportunity for export-
ing from the Northwest should be at least as good as a year ago. The situ-
uation with reference to the spring wheat crops remains to be determined by 
seedings and growing conditions. Prospects of another good crop in North 
Africa and in southern Italy indicate that the foreign outlet for durum 
wheat is not likely to be much if any better than a year ago.

The farm price of wheat as of April 15 averaged 93 cents, slightly 
above the average for March and 4 cents above the average of pre-war, 1910- 
1914 April prices. The improvement of the April prices over March was due 
to the rather marked rise in prices from the middle of March to the middle 
of April, but that improvement has been lost in the past few weeks. The 
average of all classes and grades at six markets for the week ended March 
14 was 102 cents per bushel, and continued to decline to 99 cents the follow-
ing week, but increased to 108 cents for the week ended April 11. This was 
followed by a decline to an average of 99 cents a bushel for the first week 
in May. Prices have fallen nearly to the low point of the 1928-29 season. 
In the week ended May 31, 1929 prices of all classes and grades at six markets 
averaged 95 cents per bushel, and this was the lowest weekly average for the 
season.

Changes in the prices of No. 2 red winter wheat at St. Louis, of 
western white at Seattle, and of durum have been somewhat less than in the 
prices of other classes of wheat at their principal markets. The price of 
No. 2 red winter at St. Louis increased from 115 cents per bushel the third 
week in March to 120 the second week in April, and then declined to 113 the 
week ended May 2. In the same period No. 2 hard winter at Kansas City in-
creased from an average of 96 cents to 107, and then declined to 97.

May futures at Chicago declined from the April peak of 1162 cents per 
bushel April 6, to 100 cents on May 5. The decline in futures was more marked 
in Chicago than in Winnipeg, Liverpool or Buenos Aires. This sharper decline 
may be attributed in part to the fact that the April rise was sharper in the
United States than elsewhere, and in part to the fact that the approach of the harvest in the United States has a more direct bearing on the futures markets here than upon the markets of other countries.

The prospect for the 1930 world wheat crop is quite uncertain. The area reported in 17 countries amounts to 130 million acres, which is 3 million acres or 2 per cent less than harvested in the same countries in 1929. The corresponding areas in 1929 amounted to over 50 per cent of the total world area as reported for the season. The most significant reduction has been due to heavier winter killing in the United States. It may be remembered that the area seeded was 43,400,000 acres, about 2 per cent greater than the area seeded for the 1929 crop. However, farmers reported abandonment to May 1 amounting to 11 per cent of the area seeded, in comparison with 6.5 per cent of the area seeded for the 1929 crop. The area reported in 16 foreign countries totals 91 million acres, which is one million less than for the 1929 crop. Foreign crop areas may be further reduced. Reports generally indicate some reduction in Canadian spring wheat seedings. An analysis of factors influencing seedings in recent years indicates that the total Canadian area may not exceed 24 million acres, 1,250,000 less than in 1929.

Condition reports and forecasts of crops to date do not provide a satisfactory basis for estimating the total 1930 world wheat crop. The indicated reduction in the winter wheat crop of the United States from 578 to 525 million bushels is about offset by an indicated increase in the production of India from 318 to 368 million bushels. North Africa is beginning to harvest a new crop, and reports indicate that North African crops will be about equal to those of the previous season. Fall and winter weather seem to indicate about average yields in Canada, which would produce a crop somewhat larger than that of 1929. European conditions are generally fair to good. Recent reports indicate that northern European countries may have better crops than last year. The Italian crop has made an excellent growth but may be unusually susceptible to injury from rust. Northern France is reported to be in very good condition but southern France has suffered from too much rain. Weather conditions in the next few weeks will determine whether the 1930 European harvest will be equal to or less than the 1929 harvest.

World stocks of old wheat, July 1, are likely to be quite large but somewhat smaller than a year ago. Stocks in the United States now seem likely to be as large as or larger than a year ago. Canada and Australia will also have on hand large stocks, but Argentine supplies will be reduced to a low level. The amount of wheat afloat and the stocks in European and Oriental ports will be only moderate.

The foreign demand situation is not yet very promising. Commodity prices have fallen all over the world. Interest and discount rates have declined to the lowest level of any recent year, but no material expansion in credit with its stimulation to industrial activity, however, has so far taken place. Many countries have raised their barriers against imports on account of price levels. In some European countries, however, smaller
domestic crops might result in some relaxation of those barriers. The
most hopeful factors in the foreign demand situation are: Argentina
has no large surplus to dispose of on foreign markets; the stocks in
Oriental markets have been reduced to normal or lower levels; Liverpool
stocks have been reduced to a normal level; stocks at other European
ports are only moderate; and it is probable that as soon as it becomes
evident that the decline in commodity prices has been checked and credit
becomes easier, importers will begin to buy more freely in anticipation
of future needs.

RICE

Prices of southern rice have advanced about one-eighth of a cent
per pound during the past two weeks in response to present small stocks.
The total remaining supply on May 1 was only about 70 per cent as large
as the amount which disappeared into market channels in May, June and
July last year. Although market demand may be lower in the next two months
than for the corresponding period last year, this may be slightly more than
offset by the low stocks. Exports of rice during April amounted to 15
million pounds which was considerably less than for April 1929 but about
the amount expected at the prevailing price level.

Prices of California rice have remained practically unchanged during
the past month and seem likely to continue so for the next month. Sales of
California rice to Hawaii continued at a relatively high level during April.
Exports for the crop year to May 1 have been low but the important export
movement usually comes in the last months of the crop year.

POTATOES

The average farm price of potatoes for the country as a whole at
146.1 cents per bushel was 9 cents higher on April 15 than on March 15 and
91 cents higher than in April of last year.

The advance was general, but was greater in the North Atlantic and
in the East North Central States, than in the western States. In the South
Atlantic States prices declined slightly. The higher price level in April
appears to have been due largely to adverse weather conditions in the south-
est which have reduced yields per acre and removed the prospect of serious
competition between now and late crop potatoes. The slightly lower level of
prices in the southern States reflects the seasonally increasing shipments
of the new crop from the South.

Market prices also averaged higher during April than during March.
At Chicago the April average at $2.31 per 100 pounds was 54 cents higher
than in March and at New York the April average at $2.99 was 20 cents higher,
the greater advance on the Chicago market reflecting the relatively lighter
supply of potatoes in the North Central States than in the North Atlantic.
The April advance was not sustained during the first two weeks of May when prices both at New York and at Chicago averaged somewhat below the high prices in April.

Compared with prices which prevailed at this time in the spring of 1927 when the late crop supply was of about the same size as this year, prices are now somewhat higher. This appears to be due largely to the lighter market supply of new crop potatoes, which to the end of April of this year amounted to 4,291 cars compared with 5,438 cars in the same period of 1927. Shipments of late crop potatoes in April of this year amounted to 15,642 cars compared with 15,556 in April of 1927.

The level of prices for old potatoes during the next few weeks will depend on the volume of shipments of both old and new potatoes. In the past few years a volume of new crop shipments in May more than twice the April shipments has lowered the level of prices of old potatoes. During the first week in May the daily rate of shipments of new crop potatoes has been nearly three times the average daily rate in April, and this relatively heavier volume has been accompanied by lower prices of late crop potatoes.

The prices of new crop potatoes averaged $4.70 per 100 pounds in April but declined to about $4.40 by May 8. During the past seven seasons 1923-1929 the peaks in new crop prices at New York were reached around the second or third week in May and then prices declined to lower levels in June, except in 1927 when because of unusually light shipments of late crop potatoes, prices advanced to a peak in the first week of June and declined thereafter.

CORN

Cash corn prices averaged somewhat higher in April than in March. The increase over March levels occurred at about the first of the month and during the latter half of April prices declined somewhat. The strengthening of the market appears to have been occasioned largely by declining commercial stocks. However, receipts during April were plentiful and with fairly favorable conditions for planting of the new corn crop, prices weakened during the latter half of April. Despite the plentiful receipts during April, supplies appear to be unusually small for this time of year, and the smallness of supplies is likely to become an increasingly important market factor during the summer. However, as long as wheat prices remain at present levels this will tend to restrict improvement in the corn market.

Farm prices as of April 15 averaged, for the entire United States, 78.3 cents per bushel, compared with 74.5 cents a month earlier and 87.5 cents per bushel in April, 1929. Increases were fairly general throughout the country except in the North Atlantic and Middle Atlantic States. Cash prices at the principal terminal markets also averaged higher in April than in March.
No. 3 Yellow at Chicago, which had averaged 79.7 cents during March, rose to 82.8 cents per bushel the week ended April 4 and 83.3 cents the following week. It then declined to 81.1, 81.5 and 79.3 cents per bushel for the three weeks ending April 18, 25 and May 2. The average for the entire month of April was 82.0 cents per bushel compared with 89.8 cents for April, 1929.

During the month of April receipts at 14 primary markets amounted to 22.1 million bushels compared with 15.4 million last year and a five-year average (1925-1929) of 13.7 million bushels. These relatively large receipts appear to have been an important factor in the weakness of the market. However, commercial consumption also appears to have been relatively large during the month, reported wet process grindings amounting to 6.6 million bushels compared with 6.0 million last year and an April average of the 5 years 1925-1929 of 6.5 million bushels. Despite the large receipts, commercial stocks have continued to decrease, having fallen from a peak of 27.0 million bushels March 15 to 17.4 million May 10. The present level of commercial stocks compares with 25.8 million bushels on the corresponding date of last year. The visible supply as reported by the Chicago Board of Trade amounted to 17.1 million bushels on May 10 compared with 22.8 million a year previous and an average for the corresponding date of the past five years of 28.0 million bushels.

The foreign situation is likely to continue to be of importance in the corn market during the summer and fall. In the first official estimate, the corn crop of Argentina is placed at 253 million bushels. This figure is 21 million bushels larger than the official estimate of last year's crop. Trade estimates place the crops of both years at considerably larger figures. Weather unfavorable to marketing is likely to delay the export movement of the Argentine crop. If European feed crops should be large this season, imports into the United States from Argentina or the possibility of such imports would tend to hold down prices in the United States. In event of poor crops of feedstuffs in Europe, however, the foreign situation might not have much tendency to hold down prices in the United States during the coming summer. Any increase in the tariff rate on corn would lessen the possibility of imports and improve the prospects for prices in the United States.

In the domestic situation, the course of receipts and commercial stocks and the prospects for the new crop will be of especial importance in affecting the market. Ordinarily receipts, after reaching a peak in mid-winter, decline through late winter and early spring and then are larger again in the late spring or early summer, with May the first spring month in which they show an increase. This year, however, April receipts were larger than those of March - a thing which has not occurred since 1919. It is probable that this situation has been due to unusual weather conditions and that the largeness of April receipts does not indicate unusually large supplies still to come from farms. Nevertheless receipts will probably be closely watched during the next few months as indicative of commercial supplies, and their course may be expected to affect prices. With present low commercial stocks, any marked falling off of receipts would be likely to cause stocks to fall to
extremely low levels and to result in higher prices. Indications are that farm stocks on April 1 were somewhat smaller than a year ago. Though the reduced number of hogs on farms will tend to reduce farm consumption, supplies of other feed grains also appear to be at relatively low levels.

HOGS

Hog prices in April fluctuated over a narrow range and were considerably below the levels of April 1929, notwithstanding that slaughter supplies were about 7.5 per cent smaller. The lower level of prices this spring is a reflection of the weaker demand for meats and lard that has developed in domestic and foreign markets in the past two months. Larger supplies are in prospect during the next few weeks, when 1929 fall pigs reach market in volume. While a seasonal advance in prices probably will develop in late June or early July, when supplies usually decrease, the extent of such a rise will be influenced by any material changes in the industrial situation.

Following the decline of about a dollar in hog prices in March there was a recovery of about 40 cents during the first two weeks of April which was practically all lost in the second two weeks. The monthly average at Chicago for April was $10, or 17 cents per 100 pounds lower than that of the previous month and $1.41 lower than that of April last year. The weekly average for the first full week of May was $10.03. The spread in prices of the different weight groups has narrowed as the season advanced and is about half as wide as a year ago.

Federally inspected slaughter in April was 7.5 per cent less than in April last year but was larger than in April of any other year except 1923 and 1924. The total reduction in slaughter supplies for the first seven months of the current hog marketing year which began with last October now numbers 2,225,000 head as compared with the previous year. This represents a decrease of seven per cent.

Wholesale prices of pork loins in New York declined sharply during April and the first week in May but prices of other fresh pork were reduced only moderately. Some recovery took place during the second week in May but prices are still below the levels of a year ago. Prices of cured pork products held up better at New York than at Chicago during April and early May. At New York a level slightly higher than that of last year was maintained but prices were materially below those of 1929 at Chicago. Lard prices continued relatively low at a level about 10 per cent under that of a year ago. The current differentials between prices of hog products in markets abroad and those in this country compared with a year ago indicate that the foreign demand for American products has developed greater weakness than the domestic demand, and this probably has been one of the most important factors in causing the general weakness in the hog market situation this spring.
The storage situation continues favorable with stocks of pork and lard relatively small. Stocks of pork, amounting to 712.4 million pounds on May 1 were 22.9 per cent smaller than those of a year earlier and 12.5 per cent less than the 5-year average on that date. Lard stocks, amounting to 104.9 million pounds, were 43.2 per cent smaller than on May 1, 1929 and 25.9 per cent smaller than the 5-year May 1 average.

Exports of fresh and cured pork during March were 1.8 per cent larger than in March 1929. Lard exports, however, declined 7 per cent. There appears to be little prospect of any material improvement in the export situation as lard stocks have been increasing in Europe and larger supplies of hogs in Denmark and Germany will probably come to market during the remainder of the year.

Slaughter supplies of hogs in May are likely to be slightly larger than those of May last year. Hog slaughter at nine important centers for the week ended May 9 was 11.9 per cent larger than that in the corresponding week in 1929. In recent weeks, this indicator of total federally inspected slaughter has been low, as it showed a decrease of 11 per cent for April while the reduction at all plants for the month was only 7.5 per cent.

CATTLE

Prices of all kinds and grades of cattle declined during April. This decline was equally marked with the lower grades of beef steers and nearly all kinds of butcher cattle, which usually advance in price during April and with choice cattle which usually decline during this month. This decline carried beef steer prices, except for choice heavy cattle, below the low point of the first half of 1929 reached in February. Comparison with prices early in May in recent years shows all kinds and grades of cattle this year considerably below 1929 and 1928, with some kinds of butcher cattle but little higher than in 1927, and with veal calves lower than 1927. The usual seasonal price advance on lower grade steers and butcher cattle from January to May has been absent this year, all of such cattle being lower at the end of April than at the beginning of January.

Weakness in the cattle market has reflected the weakness in the beef market. This has been particularly marked in the demand for boneless beef used largely for sausage purposes. Early in May the market for such meat was reported as very poor and the prices for low cutter cows reached the lowest level for some years.
Decreasing consumer demand rather than increasing supplies was responsible for the weakness in the cattle market. Both receipts at 7 leading markets and inspected slaughter of cattle in April were 4 per cent smaller than in April 1929 and slaughter was 10 per cent below the 5-year April average. While total supplies of beef steers at Chicago were 2 per cent larger than in April a year ago, the number of choice and good steers, combined, was 19 per cent smaller, with choice steers only 28 per cent as large. Calf slaughter in April was 1 per cent smaller than in April last year and for the first four months of 1930 was the same as in 1929. Reports as to the number of cows and heifers slaughtered during the first quarter of 1930 show a decrease of about 2 per cent from 1929. There seems to be no indication as yet that dairy producers are following the advice of leaders in the industry to reduce numbers.

The demand for stocker and feeder cattle in April was much smaller than during the preceding three months. Shipments into the seven leading feeding States in April this year were about 8 per cent below April 1929, whereas for the first quarter of this year they were nearly 50 per cent larger than last. Prices of stocker and feeder steers which usually advance during April declined this year.

BUTTER

May creamery butter production will probably be below that of a year ago. Trade output in April appears to have been slightly larger than a year ago but at prices averaging about 12 per cent lower and there is no indication of an immediate increase in demand. Recently the foreign situation has weakened so much that imports would follow any material advance in the domestic market. Moreover the seasonal increase in domestic production is just beginning to exceed current consumption requirements.

The price of 92 score butter at New York was higher in April than in March, averaging 38.5 cents. This was 1.2 cents above the March average price and 6.9 cents below the average price of April 1929. The price rose from 37½ cents on April 1 to 39½ cents on April 19 and declined to 37½ cents on April 28. The price on May 12 was 36 cents. Prices paid producers for butterfat were higher in most States on April 15 than on March 15. The increase was slightly greater in the centralizer territory and prices in that section were about as far below those of a year ago as other portions of the principal butter producing area, in contrast to the situation a few months
Prices in the principal butter States were, however, about 10 cents below April 15, 1929. Retail prices in the principal New York grocery chains averaged 44.5 cents for April 1929 which was about 6 cents below the average for April 1929. In January prices in these same chains averaged 11.6 cents below January 1929. Prices are at present 41 cents.

Receipts at the 4 principal markets were 56,562,000 pounds during April or about 2 per cent above April 1929. Cold storage holdings were 22,948,000 pounds on May 1, an excess of 17,025,000 pounds over those of a year ago and 15,609,000 pounds above the 5-year average. Although May 1 cold storage holdings were below April holdings, a net into storage movement is now underway.

Creamery butter production during March is estimated at about 3 per cent below March 1929 and trade reports indicate that it has continued at a lower rate during April and early May. Pasture conditions in the principal producing States on May 1 and May temperatures appear to influence May production materially. Pasture conditions were not as favorable on May 1 as a year ago, averaging 70 as compared with 89 in 1929, in the 10 leading butter producing States. Trade output appears to have been slightly larger than that of a year ago.

The weakness of the foreign markets is much more serious than at any time since 1926, when British demand was seriously weakened by prolonged labor disturbances. Small importations of Danish and New Zealand butter have been reported at New York. The margin between New York and Copenhagen on May 1 was about 10.0 cents which is about the same as a year ago. There is no immediate prospect of a strengthening of foreign markets. While no important importation is anticipated, the low level of foreign prices would prevent any marked rise of prices in our markets.

Eggs

Egg prices usually advance in May and June but the advance this year may not be very material. Receipts will probably continue as heavy as last year; storage stocks are high; the seasonal demand for hatching and breaking is near an end; and apparent consumption which increased during the first 3 weeks of April, has dropped off since Easter, and early warm weather may prevent an increase in consumption.

The prices of the better grades of eggs at New York changed little during April from the levels established in March. Fresh extras averaged 27.5 cents compared to 30.0 cents a year before. Following a decline of a cent at the end of April the price has been close to 26 cents during the first ten days of May. Last year the average price for this grade was 32.9 cents in May and June.

Receipts of eggs at the four primary markets in April were the heaviest for the month since 1927, being 3,553,000 cases, about 2 per cent
greater than last year and 7 per cent greater than the 5-year average. While the seasonal flush of production is probably past, yet receipts are likely to be relatively large for several months.

Cold storage holdings of eggs on May 1 were 5,751,000 cases compared with 3,952,000 cases last year and a 5-year average of 4,515,000 cases. Stocks this year are the highest on record for May and this may tend to discourage storing. Stocks of frozen eggs on May 1 were 77.1 million pounds compared to 51.8 million pounds last year. The diversion of eggs into breaking plants and hatcheries has no doubt helped to maintain the price the last two months. The season for extensive breaking and hatching operations, however, is drawing to a close.

POULTRY

The farm price of chickens is making its seasonal advance which usually continues until it reaches a seasonal peak during May or June but it is on a lower level than last year. Storage stocks of frozen poultry are large; hatchery reports indicate plentiful supplies this summer and prices of competitive meats continue low and may weaken the demand for poultry.

The farm price of chickens on April 15 was 21.1 cents, an advance of .5 cents of the month before. The price this April is 2.7 cents below that of April 1929 which compares with February and March prices that were 1.7 and 2.1 cents respectively below those of the same months in 1929.

Storage holdings of dressed poultry are still large being 77.5 million pounds on May 1 as compared with 52.9 million pounds last year and a 5-year average of 64.5 million pounds. Offsetting the effect of these larger storage stocks is heavier consumption than last year. The apparent consumption during March and April was about 40 per cent greater than for the same period last year.

Receipts of dressed poultry at the four markets during April were 17.5 million pounds, about a million pounds more than in April 1929. The seasonal increase in receipts has probably begun and is likely to be on a higher level than last year. Reports from hatcheries in March continue to show substantial increases in numbers of salable chicks hatched as compared with last year indicating heavy summer receipts of broilers and fryers.

LAMBS

Lamb prices continued low during all of April. After a small recovery during the first week, they again declined and reached the lowest point of the year, to date, about the middle of the month when the top on wooled lambs at Chicago reached $9.75. The average price of lambs during
April was the lowest for the month since 1914. The decline in spring lamb prices was larger than with aged lambs, the top on Arizona spring lambs at Kansas City going from 13 to 11½ cents.

Supplies of lambs during April continued excessive. Inspected slaughter for the month was 24 per cent above April 1929, and 38 per cent above the 5-year April average. The increased slaughter was due to the increased number of fed lambs since spring lamb slaughter was no larger than in April 1929.

The number of lambs on feed in Colorado and western Nebraska at the end of April was less than at that time a year earlier, 275,000 this year compared with 290,000 last year. Compared with other recent years the supply was rather large. Eastern shipments of California lambs in April were much smaller than in April 1929. While supplies from that State in May will be liberal, there is much uncertainty as to what the total will be. The present price situation discourages the eastern shipment of everything but choice lambs, but any considerable improvement in prices will result in large numbers of medium and good lambs being shipped east.

WOOL

Domestic wool prices held steady for the first three weeks of April then declined again but trade at Boston improved considerably in the second week of May and prices for that week held firm. The recent price declines were most severe on medium fleece wool. Prices of foreign wools in bond at Boston have held unchanged, however, except for declines on some medium grades of Australian and Argentine wools. At the Australian wool sales demand is reported stronger and prices mostly firm and considerably above the February and March levels, although recently there has been a weakness in prices of medium wools. The London Wool Sales opened May 13 with sales very brisk and prices unchanged to 10 per cent higher than at the close of the previous series. Tops and yarn prices at Bradford have risen and the strike is reported to be causing a shortage of semi-manufactures. On the Continent buying of wool yarns has increased and more confidence is reported in wool prices. A part of the continental trade improvement probably has resulted from the curtailment of activity at Bradford.

Stocks of wool in foreign primary markets in April were larger than a year ago and there is a desire to dispose of them before the coming of the new clip. Sheep numbers in the Northern Hemisphere are probably about the same as last year except for some increase in the United States and a decrease in Russia. Decreases in sheep numbers are reported in some provinces of Australia, but sheep numbers in the Southern Hemisphere generally are apparently not much below last year and seasonal conditions have been favorable for another large clip.

In the recent declines at Boston fine wools have fallen the least. The greatest declines were on medium grades, 56s (3/8 blood) strictly combing scoured fleece wools falling 7 cents. Current demand conditions appear to be in part responsible for the relative weakness in medium as compared with fine wools, but this must be looked upon mostly as an adjustment toward a more normal relationship between grades, since medium grades have been unusually high as compared with fine wools. On May 3 Boston prices of strictly coming Ohio and similar grease wools of both 64s, 70s, 80s (fine) and 56s (3/8 blood) averaged 30 cents per pound. United States farm prices on April
Consumption of wool and the cutting of men's and boys' wool garments has been less than last year. Imports at Boston, Philadelphia, and New York for the period January to May totaled 33 million pounds, or 59 per cent as large as last year. Stocks in bond at Boston on April 30 amounted to 16 million pounds or 50 per cent as large as a year ago.

COTTON

Cotton prices recovered rapidly from the low point of early March, middling 7/8" cotton reaching nearly 16 cents a pound at the 10 spot markets in the first week of April. After that the price declined somewhat and averaged around 15 1/4 cents for the first part of May. Stocks of American cotton in European ports and afloat for Europe continue smaller than last year, but this is partly offset by larger stocks of foreign growths. Stocks in Bombay are about the same as a year ago, but stocks in Alexandria and United States ports are larger, and the apparent supply remaining in the United States is above last year. Exports which have been low all year, are commercially reported to have fallen off sharply, reflecting the prevailing price relationships of domestic and foreign markets and the generally weak demand of Europe. Domestic consumption continues less than last year and activity in the cotton textile industry is also low.

From the low point of 13.67 cents per pound at the 10 spot markets reached on March 10, cotton prices rose to 15.92 cents on April 3, then fell to 14.30 cents on April 22. Subsequently they recovered somewhat and averaged 15.24 cents for the week ended May 3. For the same week closing May futures quotations at New York averaged 16.25 cents and October futures averaged 14.93 cents. The farm price on April 15 averaged 14.7 cents against 13.8 cents on March 15 and 18.5 cents on April 15, 1929. The apparent supply of American cotton remaining in the United States on May 1 amounted to 6.3 million bales compared with 4.6 million last year. The Commercial and Financial Chronicle reports exports for the week of May 3 to have been 42,000 bales compared with 77,000 the previous week. Exports for the month of April are officially reported at 350 thousand bales against 448 thousand last year. For the season to May 1 exports totaled 6.1 million bales against 7.2 million for the corresponding period last year. Among the important consuming countries only France and Italy have taken more cotton than last year. Activity in the French and Italian textile industries has also been more satisfactory although some slowing up has recently been reported for Italy. In Germany and Central Europe generally, the cotton textile conditions continue quiet, and demand is weak in Great Britain where conditions are influenced by developments in the Indian situation. The Japanese industry has reduced its activity from the peak levels of past months, and in China civil difficulties are making the outlook for the textile industry uncertain.

Domestic consumption for April was 532,000 bales compared with 509,000 in March and with 632,000 in April 1929 and 525,000 in April 1928. For the nine months August 1 to May 1 this year domestic consumption has totaled 4.9 million bales or 450,000 less than last year. Reports of the Association of Cotton Textile Merchants show production of cotton cloth for April to have totaled 256 million yards or slightly less than for March and 27 million less than for April last year. Sales, totaling 223 million yards were 21 million above last April but 69 million less than in March. Unfilled orders have been reduced, but curtailed production has kept stocks from becoming excessive.