The general downward trend in agricultural prices was temporarily checked in the latter part of February and early March, but further weakness developed after March 15. The declines, however, were moderate compared with the more pronounced recessions of the months preceding February. On March 15 the index of prices received by farmers averaged 91, 1 point higher than on February 15, when the index reached the lowest level in this depression as well as in the entire 20-year period for which the index is available. The index for March was 35 points or 27 per cent lower than on March 15, 1930. Cotton and poultry products were the chief items contributing to the slight rise in the index.

Prices paid for goods used for family maintenance had been declining gradually since 1925, and fell sharply during the last half of 1930. It is likely that this decline will continue during 1931. Prices of goods used in production, have shown a smaller decline, than either goods for family maintenance or goods sold by farmers. (See fig.1) However, wages of farm labor, not included in the production goods index, have declined materially, the April 1 index of farm wages for the country as a whole being 32 per cent lower than on April 1, 1930. The level of farm wages declined 2 points between January and April this year, which is contrary to the usual seasonal trend.

The combined index of prices paid by farmers is now approximately 136 per cent of pre-war prices, while prices received by farmers average only 91 per cent. This disparity is greater even than the one which was created by the price declines of 1920 and 1921. At current price levels, the exchange value of an average unit of farm products sold is still only about two-thirds of what it was before the war.

GENERAL COMMODITY PRICE LEVEL

The general level of wholesale commodity prices continued its downward course during March and the first part of April. Some of the evidences of stability in the different commodity groups which were noted during the first few weeks of this year have given way to further declines in the last half of March and first part of April.
The general average of commodity prices on April 7 was 107.7 per cent of 1913 prices, according to the Annalist weekly index. This represents a decline of about 2 points from the level of March 3, 5 points from the level of February 3 and 8 points from that of January 6. During the first two months of the year there were evidences of stability in prices of metals and chemicals, while farm, food, textile and fuel prices were still declining. The 2 per cent decline from the first week of March to the first week of April was due mostly to lower prices of fuels, metals and textile products. Farm products were 1 per cent lower, while foods, building materials, and chemicals remained practically unchanged.

BUSINESS CONDITIONS

The improvement in the business situation that developed during February continued during March but some hesitancy was noted the first part of April. As in the preceding month, March showed a higher level of industrial production (after allowance for usual seasonal changes) as a result of continued expansion in iron and steel, automobile and textile production. Building activity again showed improvement. Retail trade in March remained about the same as in February but a considerable improvement again occurred in the New York area, where a more than seasonal improvement in employment is indicated for March.

Interest rates on commercial paper were somewhat lower during March than during February reflecting the low level of demand for funds. Stock prices declined during the last part of March and also during the first two weeks of April, eliminating about two-thirds of the advance of January and February. Bond prices during the first part of April also lost a part of their recent advance.

Although February and March showed an improvement in the general business situation comparable with earlier recoveries from the lowest levels of major depressions (See fig. 2) some hesitancy in business was reported during the first part of April. This, together with continued weakness in basic commodity prices indicates that the revival from the recent low levels is likely to be irregular and that farmers should not anticipate any marked advance in the domestic demand for farm products in the immediate future.

WHIT'T

Farm prices for wheat as of the middle of March averaged slightly lower than in February but for the month of March market prices for cash wheat were slightly higher than in February. In United States markets, cash prices continue to be stabilized at levels not only well above prices in other exporting countries, but also higher than in the importing countries which have no tariff or other restrictions. Though world prices changed but little during March, there was a small decline so that prices at the end of March were at about the lowest levels of the season. Present
indications point to prices in the United States being on an export basis next summer and fall. July and September futures at Chicago have been running more than 20 cents per bushel lower than May futures, and new crop futures in other United States markets are similarly low as compared with cash prices and May futures.

The February 15 average farm price for the United States was 58.3 cents per bushel compared with 58.7 cents the month earlier. The average price of all classes and grades at the 6 terminal markets for the month of March was slightly higher than during February, being 71.4 cents per bushel during March compared with 70.9 cents the previous month. In general, the hard bread wheats were somewhat higher in price whereas durum and soft winter wheats declined. Thus, No. 2 Hard Winter at Kansas City averaged 70.2 cents compared with 69.3 cents the previous month, and No. 1 Dark Northern Spring at Minneapolis averaged 76.2 cents compared with 75.3 during February, while No. 2 Amber Durum averaged 71.7 cents and No. 2 Red Winter at St. Louis 78.5 cents against 73.4 and 78.9 cents respectively during the previous month.

In the United States, a marked reduction in spring wheat acreage is in prospect, but the condition of winter wheat as of April 1 was unusually favorable, a production of winter wheat of 644,000,000 bushels or 40,000,000 bushels more than in 1930 being indicated. Such a production, together with the production to be expected with average yields on a spring wheat acreage equal to that indicated by intentions to plant, would result in a total crop of over 850,000,000 bushels. This would provide the United States with a large exportable surplus from the 1931 crop, in addition to the stocks of old wheat still on hand at the end of the 1930-31 crop year.

Primary receipts of wheat during March were unusually large, amounting to 30.6 million bushels compared with 16.4 million last year and an average of 19,000,000 during March of the five years 1927 to 1930 inclusive. These heavier receipts indicate that farmers are reducing their stocks of old wheat and present indications are that farm stocks on April 1 were little, if any, above the 5-year average.

In the principal foreign markets prices showed very little change though there was some weakening during March, especially during the latter part of the month. At Liverpool, May futures closed on the first market day of the month at 63½ cents per bushel, and on the last day of the month at 60-5/8 cents. July futures at Liverpool, which closed on March 2, at 65-1/4 cents closed at 62 cents on the 31st. In general, the movement of prices at Winnipeg and Buenos Aires was quite similar to that at Liverpool. Thus far, during April there has been a slight strengthening of prices in foreign markets, May futures at Liverpool having closed at 62-1/8 cents per bushel on the tenth compared with 61-1/4 cents on the first.

World shipments have recently been averaging about 15,000,000 bushels weekly, and present indications point to a maintenance of about this same average level of shipments during the remainder of the season if European countries continue to follow a hand-to-mouth buying policy.
With both farm stocks and commercial stocks of corn at very low levels, it is to be expected that central market prices during the next few months will be largely influenced by developments as to commercial demand, and supply of corn which may be imported from Argentina or other countries. Local shortages of supplies may occur during the next few months, which would probably result in marked price advances in such areas even though there should be no material effect in central market prices. Recent quotations for Argentine corn at Atlantic ports have been as low as 46½ cents per bushel - duty of 25 cents per bushel unpaid. May futures quotations at Buenos Aires have been around 31 to 32 cents per bushel recently, indicating the prospect of the prices of Argentine corn at Atlantic ports being somewhat lower as the new crop becomes available. However, prices in Argentina are so low as to provide little returns to growers, and no material further decline seems probable. With a very low level of wheat prices in prospect during the coming months, there is little incentive for a marked advance in corn prices. However, the small corn supplies and the limited extent to which Argentine corn is likely to be substituted for the American grown product indicates the possibility of some improvement in corn prices in the inland markets of the United States if there should be any significant improvement in demand.

POTATOES

Recent advances in potato prices will probably result in an average price for the month of April higher than the average for March, but it is not likely that prices in May will average as high as in April unless an unusual falling off in shipments of old crop potatoes takes place. In the three seasons when old crop supplies were comparable to the light supplies this year, prices averaged lower during May than during April in 1928 and in 1930, while in 1927 a marked rise developed during the latter part of April and the first part of May because of a very sharp curtailment in shipments. The recent price advances will probably tend to sustain shipments to market.

The average price received by producers for potatoes on March 15, at 85 cents per bushel was 2 cents lower than the price received on February 15, and 52 cents lower than that of a year ago. The somewhat lower price level during March was accompanied by a volume of car-lot shipments about 10 per cent greater than that of March 1930. Price declines of approximately 8 per cent in the far western States, 6 per cent in the East North Central, 3 per cent in the West North Central and 2 per cent in the North Atlantic Seaboard more than offset price advances in the southern States. The relatively greater declines in the West, apparently reflect the relatively larger supplies there.

At New York the average price for March remained at about $2.00 per 100 pounds, as in February, but some improvement developed toward the end of the month in sympathy with considerable advances in the western markets. At Chicago, the average for March was about $1.60 per 100 pounds or about 10 cents higher than the February average, but the advance from the first to the last part of the month was approximately 50 cents per 100 pounds. Most of these advances in March were sustained during the first part of April.
The course of prices on new crop potatoes from the early producing States will be largely determined by the usual seasonal changes. Between April and June the movement is downward, except when very light shipments of old potatoes tend to produce temporary higher prices in May (see prices for 1927 in Fig. 3). In seasons of large supplies prices have fallen to below $2.00 in July and August as in 1922, 1924 and 1928. Prices at New York during the first part of April have averaged about $5.00 per 100 pounds, and crop prospects point to large supplies in both the early and late producing States. Acreage increases are reported for every section of the country and crop conditions as of April 1 were reported as better than on April 1 last year and about average. The intended acreage increase in the South of about 18 percent and for the late producing States of about 10 percent will probably result in a supply situation as burdensome as in 1928. With food prices in general at a much lower level at present than in 1928 because of the current business depression, the downward course of new crop potato prices may be as marked as in 1928 and may reach a level in June and July at least as low as in that year.

RICE

Prices of milled rice in the Southern Belt remained practically unchanged during the month ending April 15. Rough rice prices developed a little strength during the month. Those prices are not expected to change materially during the next month.

The monthly average wholesale price of fancy Blue Rose rice, New Orleans, declined from $4.14 per hundred pounds in September to a low of $3.38 in December and January and has since advanced to about $3.50 (April 7). In April 1930, the average price was $4.38. This is a decline of 21 percent.

Supplies of both rough and milled rice in the Southern Belt on April 1 were about the same as a year ago. Mill stocks were relatively light with farmers holdings heavier than usual. Receipts of rough at mills during March were much lighter than for February but were considerably above receipts for March 1930.

The movement of southern milled rice into consuming channels continues strong. Exports for the United States during March were reported to have been about 22,000,000 pounds or 5,000,000 pounds above the exports for March 1930. Shipments to Porto Rico have shown a tendency to decline during the past few weeks, whereas the takings of the continental domestic trade have been about normal.

California rice prices have been steady to strong during the past month. Fancy California-Japan was quoted at San Francisco at $3.70 per hundred pounds on April 9. Not much change in prices is anticipated during the next few weeks. The movement of California milled rice into Porto Rico and Hawaii continues above last year but has been declining during the past few weeks. Exports of this rice during March were very low and are likely to continue low until Tokyo prices improve considerably. Prices of middle quality brown rice at Tokyo advanced about 20 cents per 100 pounds during March. Quotations as of April 8 on brown rice at San Francisco were 3.20 cents per pound as compared with the Tokyo price of 2.82 cents per pound for a comparable grade.
Hogs

Hog prices have fluctuated in a narrow range in recent weeks following a brief advance early in March. A seasonal increase in hog marketings during the remainder of the spring together with little prospect of material early improvement in either domestic or foreign demand for hog products are factors which will tend to prevent further price improvement during the next two months.

Following the establishment of the winter low in late February, when the weekly average at Chicago reached $6.89, hog prices advanced from 75 cents to $1 during the first two weeks of March. They then receded slightly and from mid-March to mid-April the weekly average at Chicago ranged between $7.44 and $7.64. The average for the month of March was $7.46, while that for February was $7.06, and that for March last year was $10.17. Average weights at most markets have been maintained well above those of a year earlier and the 5-year average, and for this reason the spread between prices of light and heavy hogs has continued unusually wide.

Federally inspected slaughter of hogs during March, amounting to 3,523,000 head, was 3.8 per cent larger than in March 1930, but represented a seasonal reduction of 15 per cent from the 4,143,000 hogs slaughtered in February. The reduction between these two months last year was 16 per cent and the 10-year average is 8 per cent. Slaughter at the nine centers during the two weeks ended April 10, was 4.1 per cent larger than during the corresponding period of 1930.

The increase in slaughter during the first three months of this year over that of the first quarter of 1930, amounting to 609,000 head, offsets about one-half of the decrease of 1,276,000 head in slaughter supplies in the last three months of 1930, thus making total slaughter in the first half of the current hog marketing year which began with last October only 2.6 per cent smaller than that of the corresponding period in the previous year.

Domestic demand for hog products has shown no improvement from the low level that prevailed throughout the winter. Prices of pork loins advanced sharply during the first three weeks in March but this was due largely to a temporary scarcity caused by weather conditions, and about 40 per cent of this price advance has since been lost. Prices of cured pork were reduced during the first week of March and remained practically unchanged until the first week in April when they were reduced again. Current prices for cured products are from 20 to 25 per cent lower than those of a year ago, with bacon prices showing the smallest relative decline. Lard prices have strengthened considerably, advancing at Chicago, from a winter low of $8.75 in late February to $10.25 the third week in March.

Export demand for pork also continues to be unusually weak, as indicated by the small volume of exports being taken at the prevailing low level of pork prices. February exports of pork were less than half as large as those of February last year. Exports of ham and bacon showed the largest relative decrease. Lard exports were maintained at the high level established in January and were 4.2 per cent larger than those of February, 1930. This is the first month since February, 1930 that has shown an increase over the
corresponding month of a year earlier. Exports in March however showed considerable declines from the preceding month.

Because of the increased slaughter and the continued weakness in both domestic and foreign demand for pork products storage supplies continue to be unusually large. Stocks of pork on April 1, amounting to 846.5 million pounds, were about 1.2 per cent less than those of March 1, but 12 per cent above those of April 1, 1930 and 4.5 per cent above the 5-year April 1 average. Lard stock increased 3.5 million pounds or 4.7 per cent during March but the total of 78.5 million pounds on April 1 was 25.3 per cent smaller than that on April 1 last year and 38 per cent smaller than the 5-year April 1 average.

The relationship between corn prices and hog prices has become more favorable for hog feeding and present conditions indicate no material unfavorable changes in this respect during the remainder of the spring season. Average weights therefore are expected to continue heavier than usual and available supplies of hogs on farms will probably be marketed at a normal rate with the usual seasonal increase developing during the next sixty days. April slaughter is not likely to be greatly different from that of April last year but slaughter during May and June may be somewhat smaller than in those months of 1930.

CATTLE

With cattle supplies during the next three months relatively small and present prices at such a low level, it hardly seems probable that prices of any grades of cattle will decline much further, although the usual seasonal movement of prices on better grade steers is downward during April and May. On the other hand it is probable that the seasonal advance on low grade cattle during April and May will be smaller than usual. Although the course of prices during the second half of 1931 will be influenced to considerable extent by the trend in general business it is not unlikely that a rather substantial advance on fed cattle will occur.

Cattle prices advanced during the first two weeks in March, the improvement being most marked with the lower grades of all classes. A sharp break during the third week eliminated all of the advance on the better grades and part of the advance on the lower grades, and little recovery took place in any grades during the rest of the month or early in April.

The average weekly prices of choice and good steers at Chicago after the decline reached a level almost as low as the low levels of August last year, the average price of choice steers being but a little above 10 cents and of good steers a little above 9 cents a pound. The average price of slaughter steers at Chicago during March was the lowest for the month since 1922, and with the exception of that year, the lowest for the month since 1915. Compared with the first three months of 1922 the inspected slaughter of cattle this year was about 2 per cent larger while the average price of beef steers at Chicago was $3.73 this year and $7.57 in the earlier year. The spread between common steers and choice steers this year was $4.50 and in the earlier year it was only $2.30.
Cattle supplies in March were fairly large. Receipts at 7 leading markets were 1 per cent larger than in March 1930 but 5 per cent smaller than the 5-year March average. Inspected slaughter was 3 per cent larger than last year but 2 per cent below the 5-year average. Compared with slaughter in January this year, slaughter in March was much above the usual relationship between these months in recent years. For the eleven years, 1920 to 1930, January slaughter averaged 11 per cent larger than March slaughter, while this year it was less than 3 per cent larger. Calf slaughter in March was 5 per cent larger than in March 1930, and but 2 per cent below the 5-year average.

For the past ten years cattle slaughter during the first three months of the year has ranged between 48 per cent and 50.5 per cent of the slaughter during the first six months of the year, the smallest percentage (48) being in 1922. If the proportion of slaughter this year during the first three months is no larger than in 1922 the six months slaughter this year will be about 3,850,000 head and for the three months, April to June, about 2,000,000 head. At 2,000,000 head it would be about 1 per cent larger than for the three months last year but smaller than in any other similar period since 1921.

The estimated number of cattle on feed in the Corn Belt States on April 1 this year was 7 per cent smaller than at that date in 1930, and the smallest number since 1921. Nebraska was the only important feeding State where there were more cattle on feed this year than last; the increase in this State was 15 per cent, compared to decreases of 11 per cent in Illinois, 12 per cent in Iowa, 20 per cent in Missouri, 7 per cent in South Dakota and 12 per cent in Kansas. Feeder's reports on marketing plans showed that about the same proportion of the cattle would be marketed in April, May and June as was reported in April last year, with a larger proportion in April and a smaller proportion in June. Of the cattle to be marketed after July 1 a larger proportion than last year was intended for September or later and smaller proportions for July and August. This latter distribution of marketings is also indicated by the later movement of feeder cattle during the last half of 1930 and the increased proportion of calves in the supply.

For the next three months the supply of fed cattle will probably be smaller than last year, but there will be a larger supply of grass fat slaughter cattle from South Texas, where feed conditions have been the best in years. Last year, because of poor feed, most of the South Texas cattle went to pastures in Oklahoma and Kansas, while this year they will go to stock yards markets and thence, largely, to immediate slaughter. The movement into the Blue Stem pastures of Kansas and Oklahoma is expected to be considerably smaller than last year. Up to April 1 this year it is estimated that only 55 per cent of the available pasture in Kansas was leased while last year at the same date 82 per cent was leased.
Butter production in February declined more than usual; nevertheless it continues higher than a year ago. Movement into consumptive channels during February was considerably greater than a year ago. With present prices at a low level encouraging butter consumption and with the possibility of some improvement in business activity the seasonal decline in butter prices from March to June may be somewhat less than last year, even if production continues somewhat above a year ago.

The price of 92 score butter at New York during March of 28.9 cents was one-half cent higher than in February but 8.4 cents less than in March 1930. The farm price of butterfat on March 15 of 27.5 cents was also higher than in February but 21 per cent less than a year earlier.

The estimated production of creamery butter during February of 105.2 million pounds was 7.6 million pounds less than in January. Production in February is generally less in January, but the decline this year was more than the usual decline. Even though this decline occurred, February production was 5.7 per cent larger than a year ago and weekly reports indicate that production during March was also considerably larger than a year ago.

During the next few months pasture conditions will have an important effect on butter production. On April 1, 1931 the condition was reported as 76.1 compared with 78.5 last year and with the 5-year average of 82.8. The condition this year was low as compared with other years and was particularly low in the States most affected by the drought.

Even though retail prices of butter during 1930 were decidedly less than in the year 1929, the movement of butter into consumptive channels during 1930 was less than in the preceding year. In January and February, however, retail prices declined further and the movement of butter into consumptive channels was larger than a year earlier. The February movement of 153,000,000 pounds was 5.3 per cent more than in February 1930. This would seem to indicate that retail prices are now low enough to stimulate consumption.

The low point of butter prices (92 score at New York) usually comes in June and the decline is most rapid during April and May. For the past ten years prices during June averaged about 5 cents or 11 per cent lower than in March. In 1930 there was a decline of 4.4 cents or 11.8 per cent. Since butter prices are very low and there has not been any marked departure from the seasonal change in production and some increase in trade output, it is not likely that the decline in cents from March to June this year will be as great as last year.

Cold storage holdings of butter on April 1 of 18,025,000 pounds were about 12,500,000 pounds less than a year ago but 5,500,000 pounds more than the 5-year average. During the last two months butter prices in London declined slightly, while domestic prices increased somewhat. On April 9 the price of "best Danish" in London was 27.2 cents, and "finest New Zealand" 24.0 cents compared with 28.0 cents for 92 score at New York.
CHEESE

While the trade output of cheese has been low production has also been low and cheese prices have remained relatively steady. The decline in prices since the first of the year has been less than the average seasonal decline. Because of the low level of cheese prices and prospects for fairly stable general business activity it does not seem probable that the decline in price from March to June or July will be as large as last year.

The ruling price of twins on the Wisconsin Cheese Exchange during March of 13.0 cents was 4.3 cents less than a year earlier and the lowest price for March since 1911. The decline in price from February to March was 0.4 cents compared with the 5-year average of 1.3 cents.

Cheese production during January and February was 6.3 per cent less than in the same two months of 1930 while butter production was 6.2 per cent larger. Production during March, however, was probably not as low compared with a year ago as was February production, since March receipts at Wisconsin warehouses were only 2 per cent less than in March 1930.

Trade output of cheese during January and February of 79.1 million pounds was 9.6 per cent less than during the same months of 1930. This decrease in trade output was about the same as the decrease in production.

Storage stocks as of April 1 were only slightly higher than last year, but about 8 per cent higher than the 5-year average.

EGGS

Egg prices averaged higher in March than in February, while receipts and storage stocks fell slightly below a year ago. Present indications are that receipts will continue to fall below a year ago but into storage movement will likely be less than usual so that egg prices are not likely to show any pronounced upward or downward trend during the spring, but will probably fluctuate around the present level.

Fresh eggs at New York averaged 22.6 cents in March, a rise of 3.2 cents over February, but 4.6 cents below March 1930. The farm price of eggs on March 15 was 17.0 cents, 2.9 cents above the previous month, but 4.3 cents below the price of March 15, 1930.
Receipts of eggs at the four markets during March were 1,961,000 cases as compared to 1,862,000 cases a year ago and a 5-year average of 1,858,000 cases. In view of the reduced number of laying birds in farm flocks and of lower layings per flock as compared with earlier months, receipts are likely to continue to fall below a year ago.

Cold storage stocks of eggs on April 1 were 1,869,000 cases as compared to 2,189,000 a year ago and a 5-year average of 1,315,000 cases. The net into-storage movement this March was much less than a year ago, indicating a higher level of consumption, and a weaker storage demand. Stocks of frozen eggs are also large, being 77,491,000 pounds on April 1 compared to 49,751,000 pounds on April 1, 1930.

POULTRY

The farm price of chickens rose during March, due largely to the seasonal decrease in receipts and the stimulus of holiday demand. With storage stocks low for this time of the year and with receipts gradually lessening until late summer, prices are likely to continue their seasonal rise.

The farm price of chickens on March 15 was 16.1 cents, a rise of 1.0 cents since February 15, but 4.5 cents below the price of March 15, 1930. The 5-year average of the rise from February 15 to March 15 is .3 cents. Over the past five years the price on May 15, when the peak usually occurs, has averaged nearly a cent above that on March 15.

Receipts of dressed poultry at the four markets during March were 20.2 million pounds as compared to 16.4 million pounds a year ago and 24.7 million pounds in February. The March 5-year average is 16.7 million pounds. With smaller flocks on farms and with higher egg prices than in February, the marketings of chickens is not likely to continue on such a relatively high level as in the past two months.

Cold storage holdings of frozen poultry on April 1 were low, being 70,000,000 pounds as compared to 105.6 million pounds a year ago and a 5-year average of 87.1 million pounds. The large proportion of fowl (birds one year old or over), 21 per cent as compared to 13 per cent a year ago, is indicative of the heavy marketings of hens this winter and early spring.
The lamb market during March was fairly strong with prices at the highest level since last August. The average price of good to choice lambs at Chicago for the month was about $8.90 which was about 30 cents above the February average. Prices advanced during the first three weeks but part of this advance was lost the last week. During the first days of April another advance occurred that carried the top on lambs at Chicago to the highest point yet reached this year and prices reached 10 cents on April 10. The advance during March was greater on medium quality and on heavy lambs of all grades than on choice, medium weight lambs.

During March the first shipments of early California and Arizona spring lambs reached middle western markets and sold for price about $2.00 below early shipments last year.

Supplies of lambs and sheep for slaughter in March continued relatively large, although March was the first month since November, 1929, when monthly inspected slaughter was smaller than for the same month of the previous year. Slaughter in March at 1,325,000 head was 34,000 head or about 3 percent smaller than in March, 1930 but was 19 percent above the 5-year average March slaughter and the second largest for the month on record. Shipments of fed lambs from Colorado and western Nebraska were about 170,000 head smaller in March this year than last, but there was a very heavy movement of grass fat yearlings and wethers from Texas, probably three times as large as in March of any previous year. Slaughter of spring lambs in California in March was also of record proportions.

Supplies of fed lambs in April will be considerably below April last year. The number remaining on feed in Colorado and western Nebraska at the end of March was about 200,000 head smaller than a year previous, and supplies in other late marketing sections were smaller. Offsetting this in part will be a continued heavy movement of grass fat stock out of Texas and a heavy supply of spring lambs from California.

Except in California the development of the early lamb crop during March was generally satisfactory. While shortage of moisture and cool weather during March retarded the development of pastures in the early native lamb States, the lambs made average growth. In the North Pacific States and Idaho conditions were exceptionally favorable for the early lambs, and feed prospects for the next two months are good. A heavy movement from those States in June is probable.

WOOL

Sentiment in the domestic wool market has reacted to the favorable developments abroad and considerable activity has been reported in recent weeks. As yet, however, there have been but slight advances in prices in the Boston market but prices in foreign markets have improved materially since the low point was reached last January. At the Boston market increases have been reported in 3/8 blood strictly combing fleeces wools and 1/2 blood and 1/4 blood territory wools as well as in a few grades of Ohio greasy wools. Prices of
fine Ohio grease wools and fine fleece wools showed slight declines during the weeks ended April 4 and April 11 after having remained unchanged since January. Fine territory, strictly combing wools remained at 66½ cents a pound, scoured basis on April 11 and 3/8 blood territory at 51 cents a pound. The farm price of wool on March 15 had declined to 15.9 cents per pound compared with 16.4 cents per pound on February 15 and 23.7 cents per pound on March 15, 1930.

Prices have moved steadily upward in the primary markets of the Southern Hemisphere since the low point was reached in January, the increase in many cases being as much as 30 per cent or greater. The second series of London wool sales closed on March 31 with prices below the best level of the series but 5 to 9 cents a pound or 23 to 43 per cent scoured basis, above those at the close of the January series. The slightly lower prices at the close of the series were due to slower competition and the very large offerings available.

Business in Bradford has fallen off slightly since the close of the London sales, being somewhat affected by the Easter holidays, but consumption is sufficient to keep prices firm. The amount of wool, tops and yarn passing through the Bradford conditioning house in March was considerably larger than in February and was larger than the amount conditioned in March of the previous year. The improvement which began in February in continental Europe continued into March with prices moving strongly upward but machinery activity for the month was only slightly higher than in February.

Consumption of combing and clothing wool in the United States in February increased more than a million pounds over the January consumption. The total as reported was 24,007,000 pounds compared with 24,986,000 pounds in February 1930 and 28,054,000 pounds in 1929. Consumption of carpet wool increased from 6,744,000 pounds in January to 9,363,000 pounds in February. Consumption in February of last year was only 8,786,000 pounds and in February 1929 was 13,339,000 pounds. Imports of combing and clothing wool into the United States have increased since October but the increase has been much less than the normal seasonal increase for the period. Carpet wool imports declined in February of this year. Total imports of all wool were only 11,612,000 pounds compared with 18,226,000 pounds in February 1930 and 23,138,000 pounds in February 1929.

The present wool selling season is drawing to a close in the Southern Hemisphere. Clearances have been large and it seems likely that the bulk of the clip will be disposed of before the new Northern Hemisphere Clip comes on the market. However, stocks of top in combing establishments of continental Europe on March 1, were larger than those held on March 1, 1930 while stocks of foreign and colonial wool in the United Kingdom on March 1 were unofficially estimated to be about 99,000,000 pounds above those held on March 1, 1930.

Present indications point to a probable slight decrease in the world clip for 1931 due to expected reductions in the Southern Hemisphere countries. Production in Northern Hemisphere countries this spring may show some increase but Northern Hemisphere countries account for only 30 per cent of the world's production of combing and clothing wool.
Cotton prices had a general downward trend from early March until the 8th of April, but from April 8 to 13 recovered a part of the loss. At their recent low point, however, they were well above those of mid-December. Domestic mill consumption in March was well above that of February and nearly to the level of March last year. Exports also increased in March when they were higher than in either of the two preceding seasons. As a result stocks of cotton in the United States fell more in March this year than last, but the total apparent supply on April 1 was still about 2.4 million bales above a year ago. Sales of cotton cloth in the United States fell off somewhat in March from the high level reached in February, but was still above production. Unfilled orders for cotton cloth fell slightly in the month, but stocks became the lowest for several years. Cotton mill activity on the Continent of Europe appears to have increased slightly in March, but there was no apparent improvement in the sales of yarn and cloth. In Japan the cotton textile situation seems favorable. Reports of the International Cotton Federation show that for the first half of the present season world consumption of American and Egyptian cottons was materially below the corresponding period last season whereas consumption of sundries was nearly as great as last season and consumption of Indian cotton slightly exceeded that for the corresponding period a year ago. Recently exports of Indian cotton have fallen below exports a year ago and stocks at Bombay are lower than in either of the two preceding seasons.

The downward movement in cotton prices which began about March 5 continued with only a few interruptions until April 8. The average of the 10 markets declined from 10.56 cents on March 4 to 9.44 cents on April 8. By April 13 the price had recovered to 9.75 cents per pound. The average price of middling 7/8 inch in the 10 markets during March was 10.15 cents per pound compared with 10.12 cents in February and 14.74 cents in March 1930. The average United States farm price of American cotton on March 15 was 9.6 cents per pound, 0.5 cents above February 15, and 4.2 cents below March, 1930. The movement in the prices of most foreign growths has been similar to the movement of American. Important factors contributing to the weakness in cotton prices during this period are: the failure of textile activity and the sale of cotton textiles abroad to show substantial improvement, the failure of the sales of standard cotton cloth in United States to maintain its favorable record of the previous two months, the decline in stocks and other speculative commodities, and the unfavorable semi-annual consumption report of the International Federation.

The domestic consumption of raw cotton during March amounted to 491,000 running bales compared with 434,000 bales during February. During the past ten years consumption during March has averaged about 39,000 bales above February whereas the consumption during March this year was about 57,000 bales above February, and was only 17,000 bales below consumption in March last year.

Exports of domestic cotton during March totaled 605,000 running bales compared with 435,000 bales in February and 474,000 bales during March, 1930, and 556,000 bales March, 1929. During the past five years exports in March have averaged only 12,000 bales above February. The greatest increase over February took place in exports to Japan, Germany, and Italy. This brings the exports to Japan for the season to date ahead of last season, as they were the first two months of the season. Total exports for the eight months ending March
31, 1931, amounted to about 5,510,000 bales, only 261,000 bales below last season to the end of March, whereas at the end of January and February exports for the season were close to 400,000 bales below the corresponding periods last season.

The apparent supply of American cotton remaining in the United States on April 1 was about 9.5 million bales or 2.4 million bales above a year earlier. A month ago the apparent supply was about 2.5 million bales above a year earlier.

Production of standard cotton cloth during March increased 2.4 per cent over February on a weekly basis whereas during the previous three years March production has averaged slightly below February. Sales during March averaged 59.1 million yards per week compared with 51.7 million yards during February. In the past three years sales during March have averaged about 41 million yards per week above February. Shipments in March were up compared with February and as a result stocks decreased about 14.3 per cent during March. The lower sales, however, resulted in a decrease of 5.5 per cent in unfilled orders. Stocks on hand at the end of the month were the lowest since October, 1927.

On the Continent of Europe sales of cotton yarn and cloth showed little if any improvement over February although a slight revival was evident in Central Europe. The spinning and weaving mill activity on the whole was slightly higher due to increased activity in Central Europe. In Japan the demand for higher count yarns was good during February and as a result the situation was favorable to the use of American cotton.

The world mill consumption of American cotton during the six months ended January 31, 1931 amounted to 5,278,000 running bales compared with 7,083,000 bales in the corresponding period last season, according to the estimate of the International Federation of Master Cotton Spinners. This decrease of 1,805,000 bales compared with a decrease of 2,038,000 bales in the consumption of all cotton and an increase of 28,000 bales in the consumption of Indian cotton during the first half of the present season compared with the same period last year. The greatest decline in the consumption of American cotton during this period took place in the United States and Great Britain, although consumption of American cotton the Continent of Europe during the first half of the season was also considerably below last season. China was the only important country which consumed more American cotton during this period than during the corresponding period in 1929-30. The countries in which the consumption of Indian cotton showed an increase over the half year ended January, 1930 were France, China, Great Britain, India and some of the smaller European countries. The total world consumption for the four classes of cotton reported by the Federation for the six months ended January, 1931 in per cent of the consumption in the same period last season were American 74.5 per cent, East Indian 100.9 per cent, Egyptian 72.5 per cent, Sundries 94.2 per cent and total 84.6 per cent. These consumption reports indicate that during periods of depression there is a tendency for mills to consume a larger proportion of cheaper cotton than in years of prosperity. In case of the displacement of American cotton by Indian cotton it was due in part, no doubt, to the fact that the relative prices of the two growths were more favorable to the consumption of Indian during the latter period than during the first half of the 1929-30 season. These consumption reports include the same figures for Russian consumption as for the six months ended July 31, 1930 since no reports were received by the Federation for the past six months period.
Figure 1 - Between 1923 and 1929 prices received by farmers fluctuated on a level 125 to 150 per cent of the pre-war prices, while prices paid by them for commodities used in production and in the farm home remained on a higher level. During 1930 prices received for products sold declined to a level 10 per cent below that of pre-war, while prices paid declined less and are still 139 per cent of pre-war prices.
Figure 2 - The level of industrial activity, as represented by the Federal Reserve Board index of manufactures and mineral production, stopped declining in December 1930, 18 months after the peak of June 1929. During February 1931 the index shows a recovery from 62 per cent of the peak to 64 per cent, and further improvement developed during March. A similar recovery took place between July and August of 1921 (the 18th and 20th months after the peak of January 1920). The decline in this major depression has been greater than in the earlier ones of 1893, 1907, and 1920.
Figure 3 - The seasonal course of new crop potato prices is generally downward from April to July except in years of very light crops in the South and in the late producing States (as in 1921 and 1929). In years of large crops, prices decline below $2.00 per 100 lbs. in July and August. Increased acreages in all sections together with favorable crop conditions (as of April 1) point to large crops in both the early and late producing States.