FARM PRICES

The general average of farm prices was slightly lower on July 15 than on June 15. Sharp declines in wheat, lambs, apples and minor declines in other commodities failed to offset advances in cotton, potatoes and hogs. Since the 15th of July further reductions have taken place in wheat, cotton, potatoes, and apples which were again only partly offset by higher prices for livestock and livestock products.

On July 15th the index of farm prices averaged 79 compared with 80 on June 15 and 111 a year ago. From June 15 to July 15 the index of grains declined 10 points from 67 to 57, fruits and vegetables 4 points from 114 to 110, dairy products 1 point from 86 to 85 while meat animal prices advanced 1 point from 91 to 92, poultry products 2 points from 81 to 83 and cotton from 65 to 71. Central market price movement since July 15 indicate that during the first and second week of August prices of grains, cotton, potatoes, apples and lambs were lower than during the first and second weeks of July. Prices of cattle, hogs, wool, butter and eggs during the same period were higher but the declines in the prices of other farm products outweigh those advances and the general average of farm prices for August 15 is therefore somewhat lower than for July 15.

THE GENERAL COMMODITY PRICE LEVEL

The general level of commodity prices at wholesale was slightly lower during the first week of August than a month earlier with fluctuations during the month, and in fact during the past 2 months, very small. According to the Anislist index commodity prices averaged 100.5 on June 2, 102.6 on July 7 and 101.7 on August 4. During this 2-month period the weakest group of commodity prices was building materials which declined from 119.7 to 114.6. Metal prices rose from 101.3 to 103.3 and receded to 101.7, fuels fluctuated irregularly downward reaching a low level on July 28 at 115.8 and averaging higher at 120.1 on August 4. Textiles during the 2-month period advanced from 94.4 to 97.9 but declined to 93.6 by August 4. Farm and food products show a net gain, farm products having advanced from 86.2 to 89.2 and averaging 88.5 on August 4 and food products having advanced from 106.9 to 112.2 and averaging 111.7 on August 4. Further price declines in important basic commodities have taken place since August 4.

BUSINESS CONDITIONS

Industrial activity during July receded still further from the spring recovery and has probably brought the physical volume of industrial output close to the low levels reached last December. According to the Federal Reserve Board, industrial production averaged 82 last December, 90 in April and 85 in June. Complete data for July are not available but lower volumes of steel and automobile production as well as lower volumes of traffic
handled by the railroad and now low levels of building contracts awarded more than offset the sustained activity in a few industries producing necessaries, such as textiles, shoes and tires, and indicate that industrial activity for July was below that for June. The downward tendency has continued into August.

Following the stimulus given to business sentiment and to commodity and stock prices by the Inter-Government Debt Moratorium financial conditions in Central Europe have been a depressing factor. Most of the commodity price advances of June have been lost either through increased supply prospects or further curtailment in demand, but a few commodities have made advances during the latter part of July. Industrial stock prices also have lost a part of their rise during the latter part of June, but on August 10, they were still about 10 per cent higher than the low level reached in first week of June.

As a result of more than seasonal declines in factory employment and payrolls during June and further reductions in July and August, farmers are marketing their 1931 production with consumer's incomes at the lowest level so far in this depression. However, the smaller incomes of consumers are offset to some extent by the lower level of retail prices. The resumption of operations in those industries temporarily curtailing activity should give rise to some improvement in consumer's incomes during the last quarter of this year as compared with the current low levels. Such an improvement in the last quarter would of course, result in a strengthening of the domestic demand for farm products, but it is not likely to be of material proportions during the rest of this calendar year.

WHEAT

Wheat prices declined during July and early August. The July 15 farm price for the United States was 36.3 cents per bushel compared with 51.2 cents a month previous. The average price of carlot sales of all classes and grades at the 6 principal markets was 46.5 cents for the month of July compared with 66.8 cents during June. From a level of 63.7 cents during the week ended June 26, the all classes and grades average declined to lower levels in each of the 3 following weeks reaching 44.7 cents for the week ended July 17. There was then a slight recovery to 47.5 cents for the week ended July 24, but this was followed by slight further recedions in the next 2 weeks to 45.8 and 45.5 cents per bushel. Of the principal representative wheats, the greatest declines during July were in hard spring wheats and soft winter wheats. No. 1 Dark Northern Spring at Minneapolis declined from an average of 72.3 cents during the week ended July 3 to 62.1 cents for the week ended August 7, while during the same period No. 2 Hard Winter at St. Louis declined from 57.4 to 45.7 cents. The decline in No. 2 Hard Winter at Kansas City was only slightly less, being from 49.3 to 41.8 cents per bushel. Prices of No. 2 Amber Durum fluctuated considerably, but showed little net decline for the period as a whole, averaging 59.5 cents for the first week of July and 59.1 cents for the week of August 7.

The decline in prices was not confined to cash grain or futures in the United States markets. Prices at the principal futures markets of the world also declined through July and early August. At Liverpool, where October futures on July 1 closed at 63½ cents per bushel, they declined to 58-1/4 cents
on July 31 and 58\(\frac{3}{4}\) cents on August 7. This was followed by a sharp reaction, however, which brought closing prices on the 11th up to 56\(\frac{3}{4}\) cents per bushel. Price changes at Chicago were quite similar; September futures which closed on July 1 at 57-3/8 cents declined to 50-1/4 cents on the 31st and 47-1/4 cents on August 6, and then recovered to 49\(\frac{3}{4}\) cents at the close of the market on August 11. In the other principal futures markets price changes were similar to those at Chicago and Liverpool save that the upswing of prices from August 7 to 11 was greater at Minneapolis than at the other markets. At Minneapolis, September futures closed nearly as high on August 11 as on July 1. The marked rise of Minneapolis futures was evidently due to increasingly poor prospects for the spring wheat crop of the United States.

Conditions continue to point to a world crop of wheat for the 1931-32 season smaller than that of last year. The crop of the Northern Hemisphere exclusive of Russia and China seems likely to be fully 100 million bushels smaller than last year. In the Southern Hemisphere indicated acreage reductions would, with average yields result in a crop of close to 100 million bushels smaller than last year, but yields are still to be determined. The European crop is indicated to be larger than that of last year and of better quality but it is somewhat smaller than the crop of 1929 which was of good quality. In general European production is smaller than last year in the exporting countries and larger in the importing countries. Information from Russia continues to be somewhat indefinite but with good yields of winter wheat and poorer yields of spring wheat, a production considerably smaller than the very large crop of last year seems likely. The world carry-over as of July 1, however, is indicated to be about 100 million bushels in excess of that of last year. The accounted for carry-over which includes wheat in the United States, Canada, Argentina and Australia together with quantities afloat and United Kingdom port stocks is estimated at 686 million bushels as of July 1 compared with 579 million a year earlier. In addition to those amounts are stocks in the importing countries of Europe which are indicated to be smaller than last year, and stocks in the Dambo Basin and Russia which are indicated to be larger than last year.

In the United States August 1 conditions indicated a total production of 893 million bushels compared with 863 million bushels produced in 1930. A material reduction in spring wheat during July because of extreme drought in the Northwest was more than offset by increased yields of winter wheat in the Eastern and Southwestern States, indicating a total crop 24 million bushels greater than the July forecast. The crop of hard red winter wheat is now indicated to be 480 million bushels compared with 387 million last year and the soft red winter crop is 257 million bushels against 181 million last year. The production of these two classes of wheat is well above the usual domestic consumption of about 225 million bushels of hard red winter and 160 million bushels of soft red winter. The indicated production of both hard red spring and of durum is less than the usual domestic consumption. Hard red spring wheat production is forecast at only 74 million bushels compared with 156 million bushels and a usual domestic consumption of around 150 million bushels while total durum production is indicated to be 25 million bushels compared with 60 million
bushels last year and an average consumption of around 35 million bushels yearly. White wheat production is indicated to be about 58 million bushels against 79 million last year and a usual domestic consumption of around 55 million bushels.

Though stocks of old spring wheat are fairly large, the total supply for the current year does not appear to be large enough to provide for anywhere near the normal consumption of hard spring wheat. Consequently more hard winter wheat flour will probably be used than is usual or else a large amount of hard winter wheat will be used in mixing with spring wheat in grinding. This appears to be causing an active demand for high protein winter wheat. At Kansas City material premiums are being paid for high protein wheat, but in the spring wheat markets protein premiums have not as yet become significant.

World shipments of wheat of the principal exporting countries declined during July and for the week ended August 1 amounted to only 10 million bushels. For the month as a whole, however, they averaged 12 million bushels which is about the usual level of shipments for the month. Despite indications of small stocks in the importing countries of Europe, prospects are that the large crops of Continental European countries together with milling restrictions and high tariffs may be expected to restrict takings of wheat from overseas. The high quality and large size of the crop and more particularly the very small portion of foreign wheat which may be used in the early season millings of several countries will be of especial importance in reducing takings of wheat during the early part of this season. Later on as continental supplies become scarcer, overseas takings are likely to increase.

Russia continues to be an uncertain factor in the situation. Reports to date indicate a good crop of winter wheat, but smaller spring wheat crops than those of last year. It also appears probable that stocks in Russia are larger than a year ago due to the large crop harvested in 1930 from which Russia exported in the vicinity of 100 million bushels last year. The European market for wheat from other countries during the 1931-32 season will depend to a considerable degree upon Russian exports. Conditions during the latter part of the season will be especially dependent upon the size of the crops in the Southern Hemisphere where a reduction of acreage is in prospect, but where yields are still to be determined.
The United States farm price of corn was slightly higher on July 15, being 54.0 cents per bushel compared with 53.0 cents a month previous. At the terminal markets prices were somewhat erratic at the close of the month, but the general trend during the remainder of the month was downward. At Chicago, No. 3 Yellow corn, which averaged 60.5 cents for the week ended July 3, declined in each of the 3 following weeks to an average of 55.2 cents for the week ended July 31, but there was a sharp rise for the week ended August 7 to 59.4 cents per bushel.

Futures also tended to decline during most of July, closing on the 25th at 57 3/4 cents per bushel compared with the level of around 60 cents early in the month. In the next 2 market days, there was a slight recovery, prices closing on the 28th at 59 3/4 cents per bushel, but closing prices for the last 3 days of the month were 66, 68 and 72 3/4 cents per bushel respectively, the higher prices of the last 3 days apparently being due to a "squeeze" in the July futures at Chicago. The September and December futures were affected little, if any by these higher prices of July futures and there was no apparent effect on the price of cash corn grading below No. 2. The improvement of cash prices generally during the first week of August, however, appears to have been associated with the same speculative movement.

Receipts of corn at the 14 primary markets increased during July, amounting to 15.6 million bushels compared with 13.8 million during the previous month, and an average of 18.1 million for the past 5 Julys. Ordinarily, July receipts are smaller than those of June, and it is probable that the speculative activities which resulted in the sharp upward movement of prices at the end of July were largely responsible for the increase in shipments this year. Reported wet process grindings continue at relatively low levels compared with previous years, amounting to 5.2 million bushels for the month of July compared with 5.7 million last month and 6.1 million in July 1930. The average wet process grindings for July of the past 5 years has been 6.4 million bushels. Total wet process grindings thus far this season have amounted to 49.7 million bushels compared with 58.2 million last year, and a 5-year average of 62.2 million. Commercial stocks continue at levels much below average and amounted to 8.3 million bushels on August 8 compared with 3.1 million a year ago and an average of 13.8 million for the corresponding date of the past 4 years.

Conditions during July resulted in a considerable deterioration of the corn crop and the August estimate is for a crop of 2,775 million bushels, or almost 200 million smaller than that indicated by July 1 conditions. Recent rains have probably checked further deterioration in much of the Corn Belt. Such a crop would, of course, be much larger than the short crop of last year which amounted to only 2,094 million bushels, but only a little larger than the average production of the past 10 years of 2,723 million bushels. The August 1 forecasts of the oats and barley crops were also somewhat smaller than the July forecasts. The oats crop now being forecast at 1,170 million bushels compared with 1,358 million last year, and a 10-year average of 1,308 million while the barley production is indicated to be 221 million compared with 335 million last year and an average of the past
10 years of 238 million bushels. Combining the indicated production of corn, oats, barley and grain sorghums on a weight basis, total production for this year is now indicated to be 105.2 million tons compared with 92.5 million last year and an average of 106.3 million for the past 10 years.

Cash corn prices continue to be high relative to wheat, the average farm price as of July 15 being 54.0 cents for corn compared with 36.5 cents for wheat, whereas corn is usually lower in price per bushel than is wheat. During the week ended August 7, No. 3 Yellow corn at Chicago averaged 59.4 cents per bushel compared with 48.0 cents for No. 2 Hard Winter wheat at the same market. Though cash and old crop corn futures are higher than wheat, new crop corn futures are considerably lower. Thus September futures for corn closed on August 11 at 48-7/8 cents per bushel compared with 49-1/2 cents for wheat of the same delivery, whereas the price of corn for December delivery was 39 cents per bushel and that of wheat 53-1/2 cents.

FLUE-CURED TOBACCO

The market season for flue-cured tobacco opened in Georgia, for Type 14, on July 28. First week sales for all grades on the 21 markets averaged 7.33 cents per pound. This compares with 10.59 cents for the opening week in 1930 and about 19 cents in 1929. This decline has taken place in spite of the fact that the prospective supply of flue-cured tobacco in 1931 is less than in 1930, and the Georgia production is estimated to be about half as large as last year. Greatest reductions in price have occurred in the lower grades, some of which are selling for less than half what they did in 1930. Prices for the upper grades opened as high or higher than in 1930 and have shown some improvement as the season has advanced. The maturity of the Georgia crop was retarded considerably by the late season and first offerings have been light as well as mediocre in quality. South Carolina markets, Type 13, which opened August 4 report prices about in line with those prevailing in Georgia.

The total supply of flue-cured tobacco in prospect for the United States in 1931 is about 5 per cent less than the record of 1930, but 4 per cent greater than in 1929. This is based upon the August estimate of production, 716,456,000 pounds, and the July 1 stocks reported in the hands of dealers and manufacturers, 676,752,000 pounds. The stocks are 13 per cent greater than a year ago but the production is about 16 per cent less.

World consumption of products made from American flue-cured tobacco in 1930 appears to have been approximately equal to that of 1929. This is in sharp contrast to other recent years for until 1930 the consumption of these products, especially cigarettes, in most countries had been making substantial increases each year. Figures for the early part of 1931 show no improvement over 1930, apparently continuing to react to the reduced buying power of consumers and relatively high prices for tobacco products. In the United States cigarette consumption to July 1 was about equal to that for the same period in 1929 and 1930. Consumption in the United Kingdom for the first 6 months of 1931 failed to make its usual increase, while in many of the Continental European countries definite declines have been recorded. For China no reliable consumption figures are available, but trade information shows the cigarette industry to have made consistent progress and as yet no signs of slackening have been reported.
Exports for the year ended June 30 were 432,735,000 pounds, slightly larger than the previous high record established in 1929-30. The United Kingdom and China were the principal importing countries, their share of the total 75.7 per cent being a little larger than usual due to the increased takings by China during the last quarter of the year. The shipments to China, which have always been mostly of medium to low quality leaf, recently have tended more toward the lower grades. This has been due partly to the influence of unfavorable exchange rates and the preference given by the import tariff to lower priced tobaccos. The United States continues to supply more than 90 per cent of the leaf imported into China and appears to meet little competition from other exporting countries. However, recent expansion in the production of bright tobacco in China has been having increased influence upon the trade, particularly with resident Chinese manufacturers. The acreage of this tobacco in 1931 is reported to be considerably larger than in 1930.

Stocks of flue-cured tobacco in foreign countries appear normal or above normal in all countries where reports are available. In the United Kingdom stocks at the three ports of entry, London, Liverpool and Glasgow on June 30 were 10 per cent larger than in 1930 and 23 per cent larger than in 1929. The quantity available in the countries of Continental Europe cannot be definitely determined but judging by the prices at which supplies are now being offered it is probable that they are somewhat larger than usual.

Buyers for export on the Georgia and South Carolina markets this season have been less active than for many years past. Since normally more than half the flue-cured production is exported this is an important factor in the present situation, especially for the medium to lower grades of leaf. The August 1 condition of the other flue-cured types was about average for that date with indications that the quality will be superior to that which is being marketed at present.

APPLES

The 1931 apple crop, based on conditions as of August 1, is forecast at 218 million bushels, the largest crop of the past 10 years except that of 1925 when a total of 247 million bushels were produced. This compares with a crop of 164 million bushels last year and an average of 174 million bushels for 1925-1929. Somewhat less than an average crop is indicated for the Pacific Northwest and New York with crops well above average generally in the East and particularly in the region North and South of the Ohio, and in the Shenandoah Valley. Virginia and West Virginia are estimated to have crops exceeding their previous records in 1926.

The average farm price of apples at 108 cents per bushel is 35 cents lower than the price in July of last year when the crop was somewhat below average. Usually apple prices tend downward as the volume of shipments increase to a peak in October.
The following table is a record of the apple crops since 1924 in relation to the prices which farmers received for the entire season and the prices which prevailed during October. The years are arranged in the order of the size of the crops. The prices have been adjusted for the effect of changes in the general level of prices of farm products (prices as of June 1931 = 100).

United States production of apples 1924-1930

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Weighted average farm prices per bushel, adjusted 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million bushels</td>
<td>July-June : Cents</td>
</tr>
<tr>
<td>1927</td>
<td>124</td>
<td>88 : 84</td>
</tr>
<tr>
<td>1929</td>
<td>143</td>
<td>92 : 87</td>
</tr>
<tr>
<td>1930</td>
<td>164</td>
<td>88 : 78</td>
</tr>
<tr>
<td>1925</td>
<td>172</td>
<td>78 : 74</td>
</tr>
<tr>
<td>1924</td>
<td>172</td>
<td>75 : 74</td>
</tr>
<tr>
<td>1928</td>
<td>187</td>
<td>69 : 63</td>
</tr>
<tr>
<td>(Aug. 1) 1931</td>
<td>218</td>
<td>? : ?</td>
</tr>
<tr>
<td>1926</td>
<td>247</td>
<td>60 : 54</td>
</tr>
</tbody>
</table>

1/ Adjusted to the June 1931 level of prices of farm products at wholesale.

The crop is now estimated at 218 million bushels lies half way between the record crop of 1926, of 247 million bushels and the 1928 crop of 187 million bushels. For the 1928 crop the average price in October was equivalent to 63 cents per bushel and for the 1926 crop 54 cents.

POTATOES

The average price of potatoes received by farmers around July 15 at 82.5 cents per bushel was 7 cents higher than on June 15 and 47 cents lower than in July last year. Not all States shared in the rise, for declines occurred in the early producing section of the South and Southeast.

At New York prices on Virginia cobsbers declined from about $1.60 per 100 pounds to about $1.25 by the end of the month. Prices of New Jersey and Long Island potatoes on the New York market during the first week of August sold for about $1.25 per 100 pounds or somewhat lower than during the last week of July. On the Chicago market potato prices also declined during the month, from about $1.81 per 100 pounds during the second week of July to $1.58 by the end of the month with that level practically maintained during the first week of August. Relatively light shipments and unfavorable crop developments in the West North Central States have tended to sustain prices in recent weeks.

Based on August 1 conditions, the 1931 potato crop is estimated at 371 million bushels, a reduction of about 25 million bushels from the estimate based on July 1 conditions and 27 million bushels greater than last year's crop, the revised estimate of which is 343 million bushels. In the following table are given the yearly potato crops in relation to the average prices received by farmers, arranged in the order of the size of the crop. The prices have been adjusted to take into account the effects of changes in the level of wholesale prices of farm products in general (prices of June 1931 being taken as 100).
# Potatoes: United States production and farm prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Weighted average farm prices July-June, adjusted 1/</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Million bushels</td>
<td>Cents per bushel</td>
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<tr>
<td>1925</td>
<td>321</td>
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<td>1930</td>
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<td>84</td>
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<tr>
<td>1931 (Aug, 1)</td>
<td>362</td>
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<td>44</td>
</tr>
<tr>
<td>1928</td>
<td>465</td>
<td>37</td>
</tr>
</tbody>
</table>

1/ Adjusted to the June 1931 level of prices of farm products at wholesale.  
2/ As estimated the revision in line with 1930 census is to 343 million.  
3/ As estimated the revision in line with 1925 census is to 420 million.

In size this year's crop as now estimated lies between the 1922 crop of 362 million bushels for which farmers received the equivalent of 88 cents per bushel and the 1927 crop for which they received the equivalent of 63 cents. The average price as of July 15 was 82.5 and is somewhat lower at the present time. In studying the relation of this year's crop to previous crops and prices it should be observed that an estimate of 371 million bushels as of August 1, 1931 revised to the 1930 census, would be equivalent to an estimate of about 390 million bushels, unrevised.

## RICE

Prices of both Southern and California rice remained steady during July but some weakness was in evidence during the first week of August. Present crop prospects and indicated carry-over point to a supply of Southern rice somewhat below that of a year ago. Production in California is estimated to be somewhat larger than last year and the crop is earlier than usual, indicating an early movement to market. Shipments into consuming channels continue in good volume. The foreign situation is being strengthened by poor crop prospects and sharp price advances.

The production of rice in the Southern States was forecast on August 1 at 32,699,000 bushels, equivalent to 9,083,000 barrels of 162 pounds each. The carry-over of rough rice at southern mills is estimated at 151,642 barrels and farm stocks are thought to be negligible. These old crop supplies together with the forecast of the new crop, less the usual allowance for feed, seed and waste, suggests a domestic supply of about 8,750,000 barrels available for the 1931-32 season. This compares with mill receipts last season of 9,855,000 barrels. The crop in California was estimated on August 1 at 7,500,000 bushels compared with 7,371,000 bushels harvested in 1930.
Crop prospects for rice in the far east are much less favorable than a year ago. In Japan weather conditions have been unfavorable for the new crop and prospects are for a crop materially smaller than the unusually large crop of last year. The prospective smaller crop however, will be offset to a large extent by a heavy carry-over. Large areas along the Yangtze River in China are reported to be seriously damaged by floods and the rice crop in this area may be materially lower than last year. Farther south a partial crop failure is reported in Burma, the principal exporting province of India and tardiness of rains and low rice prices may reduce acreage in Siam.

The movement of southern milled rice into consuming channels continue of good volume. July shipments totaled nearly 425,000 pockets, compared with a 5-year July average of 339,000 pockets.

The prospect of smaller crops in Asia and a change in the Cuban rice import tariff in favor of United States rice may result in some increase in the movement of domestic rice to that market.

**FLAX**

Production of flaxseed in 1931 has been materially reduced by drought and domestic supplies of flaxseed for the coming year will be the smallest since 1922. Because of the unfavorable prospects for the crop prices of flaxseed advanced sharply during June and the first 3 weeks of July. All of this advance was lost during the next 2 weeks however, because of the slack demand for linseed oil and the falling price of Argentine currency. Consumption of linseed oil during the past year has fallen off sharply and no material improvement in consumption is likely until residential construction and business activity improve.

Prices of flaxseed at Minneapolis advanced steadily from the first week of June to the week ended July 24 when No. 1 flax averaged $1.67. During the following 2 weeks prices broke sharply and for the week ended August 7 averaged only $1.43. The recent decline in prices has been due to the forward selling of the new crop and slack demand for linseed oil together with a falling price for Argentine currency which has resulted in declining prices of Argentine flax in terms of United States money. At Winnipeg flaxseed prices during July were from 42 to 45 cents below Minneapolis, while prices at Buenos Aires ranged from 62 to 75 cents below Minneapolis. Prices for linseed oil have tended to follow flaxseed prices in recent months while prices of linseed meal have made some advances due to low supplies of feedstuffs in the Northwest drought area.

According to the August 1 forecast by the Department of Agriculture the production of flax in the United States in 1931 will be 13,807,000 bushels compared with 21,400,000 bushels harvested in 1930 and will be the smallest crop since 1922. The unusually dry weather during and following planting time resulted in a smaller acreage being planted than was intended and has also lowered the yield on the area which was planted. Similar conditions have prevailed in Canada and condition on August 1 indicated a crop of about 2,300,000 bushels compared with 4,399,000 bushels harvested last year. Russian seedings of flax are reported to be about 2 million acres larger than last year and increases are expected in the acreage of Uruguay and Argentina. However, most of the other leading flax producing countries have reduced their acreage this year.
The demand for linseed oil in the United States is largely determined by the amount of industrial activity and especially building construction. Total construction in the 37 States east of the Rocky Mountains, as measured by contracts awarded, was $1,607 million in the first 6 months of 1931 compared with $2,588 million in the corresponding period last year, according to reports of the F. W. Dodge Corporation. During the same period residential construction was $491 million in 1931 and $579 million in 1930.

Crushings of flaxseed during the first 9 months of the 1930-31 season (Sept. 1, 1930-June 30, 1931) were 21,167,000 bushels compared with 25,183,000 bushels in the same period of the 1929-30 season and 31,730,000 bushels in the first 9 months of the 1928-29 season. Consumption of linseed oil was 239 million gallons for the same period in 1930-31 compared with 307 million gallons in 1929-30 and 377 in 1928-29. A comparison of the consumption of oil for these periods with the amount of building contracts awarded and the level of business activity in the same periods shows the dependence of linseed oil consumption on these two factors. In view of the outlook for both building construction and industrial activity during the fall and winter months it is doubtful if the consumption of linseed oil will improve materially before the spring of 1932. Any improvement in linseed oil consumption that takes place next spring will depend largely upon the extent of the improvement in industrial activity and especially in building and residential construction.

HOGS

The principal features of the hog market situation in July were advancing prices for light and medium weight hogs, the failure of prices of heavy butchers and packing sows to show much improvement and the smallest slaughter supply for the month since July 1930. The upward trend in prices of the lighter hogs which got under way in June was checked at the end of July and prices have since shown a tendency to work downward. Although hog prices frequently reach the highest levels of the year in September, which is usually the month of smallest marketings, the market situation this year is likely to be influenced more than usual by the supply of hog products in storage, particularly those products derived from heavy hogs. Weakness of both foreign and domestic demand has allowed stocks to accumulate and accounts in large part for the prices of heavy hogs showing so little improvement this summer even though prices of the lighter weights suitable for the fresh pork trade made a fairly good advance.

The average weekly price for all hogs rose only slightly in July and the average for the month was below that of June. The July average at Chicago was $6.33 compared with $6.36 in June and $8.73 in July last year. The June and July advance on light weights carried the weekly average price of these weights at that market from $6.24, the low of the year made in early June, to $7.90 and the weekly top from $6.50 to $8.40. The latter price, which was recorded the last week in July, was within 10 cents of the Chicago top price for the year which was paid the second week in March. Part of the rise in prices of light weights was concealed the first 2 weeks in August.
Federally inspected hog slaughter during July, amounting to 2,767,000 head, was 485,000 head, or 14.9 per cent smaller than in June, and 421,000 head, or 13.2 per cent smaller than in July, 1930, being the smallest slaughter for the month since 1920. The decrease of 1,273,000 head in slaughtering during May, June and July brought the total reduction for the first 10 months of the hog marketing year which began last October to 1,942,000 head, or about 4.9 per cent. Average dressed weights were heaviest than those of last year however, so the reduction in tonnage was relatively smaller than the reduction in numbers. Lard production in June was only 7.8 per cent smaller than in June 1930 although hog slaughter declined 11.9 per cent. Slaughter continued relatively light during the first half of August but it is hardly likely that the total for the month will show so great a decrease from that of August last year as was shown in June and July.

Foreign demand for American hog products continues weak. Lard exports from the United States during June were only slightly smaller than in May but they were a third smaller than in June, 1930. Exports of pork in June were not greatly different from those in May but they were nearly 40 per cent smaller than those in June last year. The July exports of hog products as indicated by loadings from the principal ports were at least a third smaller than the July exports in 1930. For the first three quarters of the current hog marketing year lard exports were 27 per cent smaller and pork exports were 46 per cent smaller than those for the corresponding period a year previous.

Domestic demand for hog products also is much below that of recent previous years. The apparent domestic consumption of lard was about the same as that of last year but there was a decrease of about 213 million pounds or 4 per cent in the amount of pork from Federal inspected slaughter moved into consumptive channels. Supplies of both pork and lard have only been moved by greatly reducing prices.

As usually happens during July fresh pork prices fluctuated greatly from week to week. In general they declined during the 2 weeks ended July 11, rose sharply the following week, showed some weakness toward the end of the month and made a material advance during the week ended August 9. The price spread between light and heavy loins continued to widen and 8-10 pound weights at New York averaged $20.86 for the month as compared with $18.55 during June and $23.17 in July, 1930, while 16-20 pound weights averaged $13.46 in July, $13.61 in June and $15.56 in July last year.

The cured pork market strengthened somewhat during the month but the improvement was largely on cuts from the lighter hogs. Lard prices declined sharply, the July average at Chicago being $8.65 compared with $9.53 in June, and was the lowest average for any month since September, 1915.

Storage stocks of pork were reduced materially during July but because of the falling off in exports trade and no tendency for domestic consumption to increase even though retail prices for hog products have been lowered, storage stocks remain relatively large despite the sharp reduction in slaughter since April. Stocks of pork on August 1, amounting to 715 million pounds were 8 per cent smaller than those of July 1 and 5 per cent smaller than the 5-year August 1 average, but they were 10 per cent larger than those of August 1, 1930. Lard stocks increased 7 million pounds or 6 per cent during July and brought the holdings to 122 million pounds or 3 per cent more than on August 1, 1930 but they were still 29 per cent smaller than the 5-year August 1 average. It
was the first time since December 1929 that lard holdings at the beginning of a month were larger than those of the corresponding date a year earlier.

Average market weights of hogs usually reach the highest levels of the year about the third week in August and then fall off as the proportion of new crop hogs in the market supply increases. The seasonal reduction in the supply of heavy hogs after mid-August frequently results in a considerable price advance on such kinds which accounts in large part for the marked rise in the average price of all hogs that often occurs in September. This year the market situation is made somewhat abnormal by reason of the large storage stocks of the products derived from heavy hogs and by the extremely weak demand for such products both in this country and abroad. With large feed crops in prospect weights of hogs marketed will probably continue above average.

The present low prices of feed and prospects for a large feed production in 1931, along with a restricted credit supply available for expanding cattle and sheep feeding operations are the principal factors responsible for the marked increase in hog production in the United States which is now apparently under way. The corn-hog ratio during the recent months has been about normal but with wheat prices at very low levels and a larger corn crop in prospect, conditions are more favorable for hog feeding than the present corn-hog ratio indicates.

Since an increase in hog production requires a relatively small cash outlay and returns come quicker than in cattle and sheep production, and since hog-feed price relationships are favorable, farmers are apparently planning to utilize as much as possible of their surplus grain by marketing it through hogs.

CATTLE

Cattle prices during July followed their normal seasonal trend, the better grades advancing moderately and the lower grades averaging somewhat lower than in June. During July, market supplies were larger than in June but under those of a year earlier and a reduction in marketings of the better grades was in evidence during the last half of the month. The estimated number of cattle on feed for market on August 1 was considerably smaller than on August 1 last year, but present indications as to the marketings of grass cattle during the late summer and fall months point to a larger movement than that of the corresponding period of 1930.

After the sharp decline on all grades during the two weeks ended July 4, prices of the better grades of beef steers at Chicago advanced to two following weeks, declined slightly during the next week and then advanced during the last week of July and the first week of August. Prices of these grades during the week ended August 8 reached the highest point since early May. Prices of the lower grades of beef steers and of stockers and feeders advanced during the first half of the month but declined during the last half and in the first week in August. The average of all grades of beef steers at Chicago during July was $7.62 compared with $7.43 in June and $9.42 in July 1930. The monthly average price of stockers and feeders at that market was $4.97 compared to $6.76 in June and $6.49 in July last year.
Total slaughter supplies of cattle during July increased seasonally but were below the average for that month. Inspected slaughter was only 0.5 of 1 per cent smaller than in July 1930 but was 26 per cent under the 5-year average. Receipts at 7 markets, however, were 2 per cent larger than those of July last year. Receipts of beef steers at Chicago for slaughter amounting to 98,000 head, were 6.8 per cent smaller than in June and 6 per cent smaller than in July last year. The number of choice steers, however, was nearly three times as large as that of a year earlier. Good and choice steers constituted 81 per cent of the total slaughter steer supply as compared with 63 per cent in July 1930.

Although feeder demand continued relatively weak, a seasonal increase in stocker and feeder shipments occurred in July, and for the first time this year, the monthly total was larger than that of the corresponding month a year earlier. Shipments from 12 markets to 7 States were 18 per cent larger than the unusually small movement in July last year but were 26 per cent under those of 1929.

The estimated number of cattle on feed for market in the Corn Belt States on August 1 this year was 13 per cent smaller than on that date in 1930. The States east of the Mississippi River as a group had 16 per cent less than a year ago and States west of the River had 11 per cent less. None of the States had more cattle on feed this year than last and only Nebraska had as many as last year. Decreases in important feeding States amounted to 8 per cent in Iowa, 20 per cent in Illinois, Michigan, Missouri and Kansas, 10 per cent in Ohio, 13 per cent in Indiana and 30 per cent in South Dakota. Feeders reported a considerable decrease from last year in the proportion of cattle weighing over 1,100 pounds to be marketed during the next 4 months, a material increase in the proportion weighing from 900 to 1,100 pounds and little change in the proportion under 900 pounds.

The reports from feeders as to the number of stocker and feeder cattle they expect to buy during the last 5 months of 1931 compared to the number bought during the corresponding period in 1930 indicated smaller shipments of such cattle into the Corn Belt States the remainder of this year. The principal reasons given for the indicated smaller movement this year were the unfavorable returns from feeding operations during the past 2 years and the resulting difficulty that will be met by feeders in financing feeding operations. Although the actual shipments of stocker and feeder cattle this year will be influenced by the outturn of the corn crop and by the market supply of unfinished cattle present indications point to a weak demand for such cattle during the remainder of the year. Poor range conditions and a general shortage of feed in the Western States may result in heavier marketings of unfinished cattle from that area during the remainder of the year than in the corresponding period in 1930.

**BUTTER**

Poor pastures have caused more than the usual seasonal decline in milk and butter production during July and butter prices have advanced. The into-storage movement of butter during the current season has been small, and storage holdings on August 1 were the smallest in 6 years. It is probable that the net-into-storage during August will also be relatively small, so that the seasonal peak of storage holdings, which usually comes September 1, will be considerably smaller than the 5-year average.
There has been an upward trend in butter prices during the last 7 weeks, due primarily to the curtailment in production. Normally there is little seasonal variation in butter prices during June and July. For the week ended August 8 the price of 92 score butter at New York averaged 26.4 cents per pound but rose to 30 cents by August 13, the highest since early in April. During the recent rise in butter prices, spot prices advanced more than future prices. From June 16 to August 12 the price of 90 score centralized butter at Chicago rose 6 1/2 cents while the price of November storage standard rose only 3 3/4 cents. The average price during July of 25.0 cents was 1.7 cents more than in June but 10.3 cents less than a year ago. The farm price of butterfat on July 15 of 21.1 cents was about one-half cent higher than on June 15 but 10.5 cents less than for July 1930. Declines in the New York City price of 92 score butter and the farm price of butterfat during the past year were practically the same.

For the first 6 months of 1931 the production of creamery butter was 3.1 per cent larger than in the same period of 1930. Production during June of 188.0 million pounds was only one-quarter of 1 per cent more than in June 1930 and 7.6 per cent larger than in May 1931. The increase from May to June was relatively small, as June usually exceeds May by about 12.5 per cent.

Weekly reports from cooperatives and trade associations in the middle west indicate that production during July was even lower than the relatively low production of a year ago. Reports for the Pacific Coast, however, indicate that production in that section was considerably larger than a year ago.

Milk production per cow in herds of crop correspondents on August 1, of 13.92 pounds was 3.3 per cent less than a year ago, and the smallest for August 1 for the 7 years for which the data have been collected. The relatively low production per cow was due in part to the drought and poor pastures in some of the important dairy States, and also to the low prices of dairy products which has tended to restrict feeding. The condition of dairy pastures on August 1 was reported as 64.2 per cent of normal as compared with 58.2 per cent last year and a 10-year average (1921-1930) of 80.2. The decline in condition from July 1 to August 1 was more than twice as great as the usual seasonal decline.

Cold storage holdings of butter on August 1 of 115.2 million pounds were 29.9 million pounds or 21 per cent less than last year and the smallest for August 1 since 1925. The net-into-storage during July of 26 million pounds was 12.5 million pounds or 33 per cent less than during July 1930, and the smallest net-into-storage movement for July since 1921.

Although there is generally a net-into-storage movement during August, it is quite probable that the movement during August this year will be relatively light, so that the peak of storage holdings which usually comes on September 1 will be lower than both last year and the 5-year average.

During the second quarter of 1931, movement of butter into consumptive channels has been about the same as during the corresponding months of 1930. Retail prices of butter during the second quarter of 1931 averaged 30 per cent lower than in the preceding year.
CHEESE

Cheese prices have advanced primarily because of the effect of the dry weather in curtailing milk production, in the important cheese-producing sections. Cold storage holdings on August 1 were considerably lower than last year and lower than the 5-year average. Storage holdings on September 1, which is usually the peak of the season, will probably be less than average.

The price of cheese (twinq) on the Wisconsin Cheese Exchange during July averaged 11.4 cents, 0.5 cents higher than in June, and 1 cent higher than in May, but 2.9 cents lower than a year ago. The price on August 1 of 12.5 cents was the highest since the middle of April.

During the first half of 1931 cheese production was 8.1 per cent less than during the same period of 1930. During June, however, the production of 64.5 million pounds was only 5.0 per cent less than a year ago. July production was probably less than last year since receipts at Wisconsin warehouses during July were 10.9 per cent less than a year ago.

Milk production per cow (in herds of crop correspondents) in Wisconsin on August 1 of 15.5 pounds was 13 per cent less than on August 1, 1930. The decline in production per cow from July 1 to August 1 of 5.4 pounds was 36 per cent more than the average decline for the 5 years (1925 to 1929). This unusually large decline was due in large part to the poor condition of pastures on August 1 of 46.0 per cent of normal, the second lowest condition ever reported.

Storage holdings of American cheese on August 1 of 68.5 million pounds was 20.2 million pounds or 22 per cent less than a year ago and 8.0 million pounds less than the 5-year average. The net-into-storage movement during July was 44 per cent less than last year. The total into-storage movement during the three months May, June and July was only 28.0 million pounds as compared with 49.3 million pounds last year, and a 5-year average of 40.6 million pounds.

The trade output of cheese during June of 53.1 million pounds was 1.3 per cent larger than in June 1930. This was the first month of the current year in which trade output exceeded the corresponding month of the preceding year. For the first 6 months of 1931 trade output was 5.1 per cent less than in 1930.

EGGS

A sharp decline in the receipts of eggs during July led to a rise in prices, especially for the better grades of eggs. The smaller receipts resulted in less than the usual into storage movement of eggs and storage holdings on August 1, which is usually the peak of the year, were relatively low. These low storage holdings together with the smaller numbers of hens and chickens on farms July 1 indicate that supplies of eggs during the fall and winter will be below those for the same period last year.
The prices of the better grades of fresh eggs at New York advanced in July. Fresh extras, mixed colors, rose from 20.6 cents on July 1 to 24.0 cents on July 31, averaging 23.2 cents which is about .4 cents above the June average and about a cent below the 1930 July average. Fresh firsts did not advance so much and averaged 19.0 cents which compared with 17.0 cents in June and 21.4 cents in July, 1930. The farm price averaged 14.8 cents on July 15 as compared with 14.1 cents the previous month and 18.8 cents a year ago.

Receipts of eggs at the 4 markets during July were much below those of recent years, being 1,125,000 cases as compared to 1,308,000 cases a year ago and a 5-year average of 1,278,000 cases. The number of hens in farm flocks on July 1 was about 5 per cent below that of a year ago while the number of young chickens was 10 per cent less than a year ago. Receipts during the fall and winter therefore are not expected to be as heavy as in 1930.

United States cold storage stocks of case eggs on August 1, when the peak is usually reached, were low, being 9.5 million cases as compared to 11.2 million cases in 1930 and a 5-year average of 10.2 million cases.

CHICKENS

Receipts of chickens during July were considerably larger than average and the farm price of chickens on July 15 was lower than a month earlier. Cold storage stocks of poultry usually reach their low point in August or September and on August 1 were low for this time of the year. The number of chickens on farms July 1 this year was somewhat smaller than a year ago. This, together with the small storage stocks, is likely to result in somewhat smaller supplies of chickens during the fall and winter months than were available a year ago.

The farm price of chickens on July 15 was 15.8 cents as compared to 16.1 cents a month before and 17.4 cents a year before. Part of the decline, at least, is of a purely seasonal nature as it is common for chicken prices to decline during the latter half of the year.

Receipts of dressed poultry at the 4 markets during July were unusually heavy, being 24.6 million pounds as compared to 19.3 million pounds last year in July and a 5-year average of 20.3 million pounds. Receipts since the first of May, however, are about three-quarters of a million pounds less than for the same period in 1930. With 10 per cent fewer young chickens in farm flocks on July 1 than the year before, receipts during the fall are not likely to exceed those of last fall.

The not into storage movement of poultry usually begins during August or September but the movement began earlier than usual this year. The not into storage movement during July was 3.7 million pounds making the total cold storage holdings 36.4 million pounds compared to 47 million pounds a year ago and a 5-year average of 41.8 million pounds.
The sharp decline in sheep and lamb prices during June was followed by a partial recovery during the first half of July, but the second half, the downward trend was resumed and a new low for the year was established during the first week in August. The July average price of good and choice lambs at Chicago was $7.67 as compared with $8.70 in June and $10.13 in July 1930. Average quality of lambs marketed decreased during July and the premium paid for the better grades increased. Prices of fat wool and yearlings advanced during the month largely as a result of declining proportions of such kinds in the total supply. Medium to choice wools at Chicago averaged $2.64 as compared with $2.04 in June, and $3.28 in July 1930.

Contrary to the usual seasonal tendency, market supplies of sheep and lambs in July were smaller than those in June. This reduction was apparently due to producers holding back shipments in the hope of some recovery in prices. Inspected slaughter amounting to 1,491,000 head was 1.7 per cent smaller than in June but 3.4 per cent larger than in July 1930 which was the previous July record.

The lamb crops in both the native and western sheep States were larger this year than last. The increase amounted to 590,000 head or 6 per cent in the native sheep States and 1,730,000 head or 9 per cent in the western sheep States. The increased lamb crop of this year was due both to the increase in the number of brooding ewes and to an increase in the number of lambs saved per 100 ewes. This increase in lamb production has been reflected in marketings during recent months. Inspected slaughter of sheep and lambs during the first three months of the current marketing year (May, June and July) amounting to 4,451,000 head was 9 per cent larger than in the corresponding months last year.

Because of poor range and pasturo conditions and unfavorable prospects for hay and food supplies in a number of the Western States, sheep men in that area are expected to market a larger than usual proportion of their lamb crop. Unless range conditions improve in the near future, the movement to market will probably be earlier than usual and include a larger than average proportion of unfinished lambs. The peak of the movement of western lambs usually occurs in late September or early October.

Trading in wool at Boston was quite active in July and prices moved upward on most grades. Medium grade wools, including 56s and 48s, 50s were especially active during July in contrast with the slowness in those grades during earlier months and their prices were still rising in the early part of August. Monthly consumption of combing and clothing wool in the United States since April has been above the monthly average of 1929. The London Wool Sales closed on July 22 with prices at the highest levels of the series and in many cases, quotations were up to the May levels. In contrast with the seeming strength at the London sales, however, conditions have been unfavorable in foreign consuming centers. The United Kingdom reports no improvement in the demand for piece goods and lack of orders is keeping mills on short time basis of operation. Future movements in foreign markets are uncertain
responding financial developments in Germany and other continental countries. Apparently the 1931 world wool clip will be larger than the 1930 clip and although stocks have been reduced in the Southern Hemisphere they are probably larger than last year in Europe.

Prices of practically all grades of domestic combing wools strength-ened during July. The price of fine, strictly combing territory wool, secured basis, on the Boston market, for the week ended August 8 was 63.5 cents per pound compared with 61.5 cents per pound on July 3. Territory 3/8 blood (56s) secured basis was 50.0 cents per pound on August 8 compared with 47.5 cents on July 3. The greatest price advances during July were on 56s and 48s, 50s combing wools which were the grades to show the greatest improvement in demand.

Receipts of domestic wool at Boston were very large during July, and from January 1 to August 1 were 9 per cent above receipts for the same period of 1930 and 46 per cent greater than receipts for the first 7 months of 1929. On the other hand, imports of combing and clothing wool into the United States continue to decline and for June were the lowest for any month since July 1924. Total imports of combing and clothing wool for the first six months of 1931 were only 26 million pounds compared with 52 million pounds imported during the first half of 1930 and 77 million in the corresponding period of 1929.

Consumption of combing and clothing wool in June by manufacturers reporting to the Bureau of the Census was 32,032,000 pounds compared with 30,334,000 pounds in May and 23,547,000 pounds in June 1930. Consumption in recent months has been above the average monthly consumption of 1929 and the reported consumption of 166,659,000 pounds of combing and clothing wool for the first 6 months of the present year was only 9,500,000 pounds less than the consumption reported during the first half of 1929 and was 22 million pounds greater than for the corresponding period of 1930. The increase in consumption of combing and clothing wool during the first half of 1931 was entirely in domestic wools and was in wools of 56s and finer grades.

The 1931 world wool clip is now expected to exceed that of 1930 when production, exclusive of Russia and China, was estimated at 3,151 million pounds compared with 3,191 million pounds in 1929 and 3,210 million produced in 1928, the year of record production. Factors pointing to a larger clip in 1931 are a reported increase of 6 per cent in the Australian clip and an increase of 7 per cent in shorn wool production in the United States together with favorable food and weather conditions in most important Southern Hemisphere producing countries. The carry-over of wool in Southern Hemisphere countries this year, is about normal, whereas last year it was heavier than usual, but apparently there are increased stocks in some European countries.
COTTON

Cotton prices declined to new low levels during the first part of August due in part to foreign and domestic demand conditions and in part to the prospective supply. Domestic consumption and exports of raw cotton were about the same in July as in June, but sales of standard cotton cloth showed a marked decrease. Total stocks of raw cotton are large, but stocks at mills in the United States are the smallest since 1925. The indicated production in the United States in 1931 is 15,584,000 bales compared with a crop of 13,930,000 bales in 1930. In Egypt, the new crop acreage is estimated at 19.2 per cent below last year while in India the acreage is expected to be about the same or perhaps 1 to 2 per cent above last year. Some increase in acreage is reported in China, but flood damage is expected to result in a slightly smaller crop than in 1930-31. In Russia the acreage increase is about 50 per cent, however, a large part of the acreage being in new regions may result in lower yields per acre.

Cotton prices at the beginning of the present season continued to decline as they have with few interruptions since March 1928. In 1929-30 the average of the 10 spot markets was highest on the first day of the season and lowest on the last day and during the season just closed the high point was reached during the first few days of the season and on July 31 the last day, the average price was within 0.01 cent per pound of the low point. The high point of 12.38 cents for the average of these markets recorded on August 8, 1930 compared with 7.63 cents on the last day of the season, and the monthly average of 11.14 cents per pound for August 1930 compares with an average of 8.66 cents for July 1931. During the past month cotton prices in the 10 markets have declined from 8.53 cents per pound on July 13 to 6.39 cents on August 13, a net decline of 2.14 cents.

Domestic consumption of raw cotton during July amounted to about 451,000 running bales compared with 485,000 bales in June and 379,000 in July 1930, according to the reports of the Bureau of the Census. This brings the total consumption in the United States for the season 1930-31 to 5.271,000 bales compared with 6,106,000 bales in 1929-30 and 7,091,000 bales in 1928-29, a decrease of 13.7 and 25.7 per cent respectively.

Exports during July showed a slight increase compared with June amounting to 259,000 running bales compared with 255,000 bales in June, according to the Bureau of the Census. In July 1930 exports amounted to 176,000 bales and in July 1929 totaled 238,000 bales. This brought total exports for the season to 70,000 bales above the 1929-30 season, the total being 5,750,000 bales compared with 6,690,000 bales. In 1928-29 exports amounted to 8,044,000 or 13.0 per cent above the season just closed. Exports to most countries, however, except France and the Orient were somewhat below last season.
The carry-over of American cotton in the United States at the end of July amounted to 6.3 million running bales compared with 4.3 million bales in 1930, 3.7 million bales in 1927 and 6.4 million bales in 1921, according to reports of the Bureau of the Census. The world carry-over of American cotton at the end of the season just ended was estimated by H. G. Hoster, Secretary of the New Orleans Cotton Exchange at 8.7 million bales and Garside of the New York Exchange estimated 9.0 million bales (proliminary). Hoster's estimate for last season was 5.9 million bales, Garside's 6.2 million bales, and the Bureau of the Census' 6.2 million bales. In 1921 the Bureau of the Census estimated a world carry-over of slightly over 9 million bales.

In the standard cotton cloth section of the domestic cotton textile industry production during July declined 7.5 per cent but a decline of about 44.5 per cent in sales resulted in a ratio of sales to production of 82.2 per cent, according to reports of the Association of Cotton Textile Merchants of New York. Shipments while lower than in June were above production and resulted in a decrease of 6.5 per cent in stocks. Unfilled orders in July decreased 16.0 per cent as a result of the smaller sales and shipments. The decrease in production and shipments of standard cotton cloths during July was less than during the past three years, but sales during the past three years have been slightly higher in July than in June.

The condition of the 1931 cotton crop in the United States on August 1 indicated a production of 15,584,000 bales of 500 pounds gross. This compares with a production of 13,930,000 bales last year, 14,828,000 bales in 1929 and the record crop of 17,977,000 bales in 1926. The 1925, 1914 and 1911 crops were also larger than the indicated 1931 crop. The indicated yield per acre for the new crop is 185.8 pounds per acre which is 38 pounds greater than last year, 31 pounds above average and is higher than the yield secured in any year since 1914. Except in South Carolina, Georgia and Alabama, the indicated yield per acre in all important producing States is considerably above the yield last year. In Texas even with an 8 per cent decrease in acreage the production in that State is forecast at almost 1 million bales more than in 1930. In some of the other States even a larger increase in yield per acre is indicated.

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A preliminary estimate of acre planted to cotton in Egypt in 1931 is 1,747,000 acres, a decrease from last year of 415,000 acres or 19.2 per cent. The decrease in the Sokollaridis variety is estimated at 42.8 per cent due in part to doubt, to the law restricting acreage of this variety. In China the acreage in cotton is roughly estimated to be 10 to 15 per cent above last year, but recent damage done by floods make it probable that the cotton crop in China will be slightly smaller than last year. In India the 1931-32 cotton acreage is expected by Bombay cotton merchants to be about the same as last year with possibly an increase of 1 or 2 per cent and in Chosen the acreage for the new crop is estimated at 461,000 acres compared with 463,000 acres in 1930-31. Russian acreage is reported at 5,824,000 acres or 50.5 per cent above last year. The fact that much of this acreage is in new producing regions makes it possible that yields per acre will be less than last year.
### Business Statistics—Relating to Domestic Demand

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<td>July</td>
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1/ Federal Reserve Board, 1923-1925 = 100. (1) adjusted for seasonal.

2/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal.
3/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal and trend.


5/ Adjusted for seasonal.

6/ Weighted average of indexes for eight foreign countries—United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands, 1926 = 100.

7/ Commercial paper at New York, adjusted for seasonal.

8/ Dow-Jones index.