FARM PRICES

The general level of farm prices in mid-October was somewhat lower than a month earlier. Market prices of cotton, grains, and most livestock declined during the month ended October 15.

The index of farm prices in mid-September at 59 per cent of the 1910-1914 average, was the same as on August 15 and 14 per cent above the low point in mid-June, but some of this rise had been lost by mid-October. The index for September last year stood at 72 per cent of the pre-war average.

Prices paid by farmers for goods purchased had continued to decline while the average of prices paid to farmers was steady from August to September. Consequently the exchange value of farm products for other products again increased slightly to 56 per cent of the pre-war average in mid-September; an increase of 16 per cent from the low point in mid-June.

The general level of farm wages on October 1 was 84 per cent of the 1910-1914 average compared to 87 per cent on July 1 and 113 per cent on October 1 last year. Average farm wages for the United States on October 1 at $17.29 per month or $.57 per day (with board) and $26.36 per month or $1.19 per day (without board) were at the lowest level in 30 years. The general decline in farm wages the last 3 years has obliterated the normal seasonal rise from July 1 to October 1. The low farm wages at present reflect the increased supply of farm laborers coupled with low prices of farm products and a decreased demand for hired farm labor.

WHOLESALE PRICES

Since the rise in the general level of prices of farm products from the low level of mid-June the prices of other groups have also advanced, but some declined in the first half of October. The weekly Bureau of Labor Statistics index of all commodities advanced from 93 per cent of the 1910-1914 average at the low point in June, to nearly 96 by September 10, but declined to below 95 by the week ended October 8, as prices of farm products lost part of their previous advances.

The index of market prices of farm products in relation to the pre-war average, advanced from 64 the middle of June to 71 the first week of September, a rise of 11 per cent. The index for the week ended October 8 averaged 94.7. During the same (June to September) period the index of food prices rose from 91 to 97 and on October 8 were slightly lower at 95.4.

The groups that advanced next were hides and leather, textiles, and metals. Hides and leather reached a low point the week ended July 23 and have since advanced from 106 to 114 for the week ended October 1. Textile prices during the same interval advanced from 93 to 100. Metal prices as a
Group advanced only slightly during this period. Building material prices reached their low point later than the others, and advanced from 126 on August 13 to 128 on October 1. Most of the group indexes showed evidences of weakness during the first part of October.

Prices abroad have also weakened lately. Crumps weekly index of currency prices for England after advancing from 58.8 in June to 64.6 the first week of September, averaged 63.7 or 2 per cent less in the first week of October.

BUSINESS CONDITIONS

Some of the factors in the domestic demand for farm products during September showed some improvement over July and August. Industrial activity averaged higher in September than at the low levels of the previous 2 months and there was some increase in factory employment and payrolls, but not sufficient to offset other developments which lowered the level of prices received by producers after the first week of September.

Industrial activity reached a low point in July, averaging 58 per cent of the 1923-1925 level, according to the Federal Reserve Board. In August the index advanced 2 points due to a very sharp increase in production by factories using largely agricultural raw materials for consumer goods, particularly textiles, food products, boots and shoes and tobacco, while the total activity of other industries declined still further. The improvement evident in August continued during September as textile and food industries continued to expand. The production of iron and steel also increased. Automobile production continued to decline during September. The net gains in industrial production have been reflected in increased freight car loadings and to a smaller extent in electric power production. The decline in factory employment and payrolls was checked in August and (judging from data from New York State) an increase in both took place during September. Building activity, which reached a low point last February and March, has since shown a perceptible upward tendency somewhat more pronounced during August and September due mainly to expansion in public works.

Financial conditions also showed further improvement during September, as gold moved into the country, some currency was released from holding, and bank reserves accumulated. Bank and commercial failures were less in September than in the preceding month. The Federal Reserve banks have ceased purchasing additional Government securities. Member banks continued to report declining loans and discounts and an expansion in their holdings of investments, particularly Government securities. The decline in loans for business purposes it is to be noted continued in spite of the increase in industrial activity. To some extent the credit furnished by the Reconstruction Finance Corporation has offset the reduced bank loans. An expansion in industrial output is of course possible for a time even though loans for commercial purposes do not expand or even if they continue to decline as was the case during the last half of 1921 and first half of 1922 when industrial output expanded in the face of continued shrinkage in bank loans.

After rising for about 2 months during which time industrial stock prices doubled their low values of last July, a decline set in during September which continued through the first 10 days of October and reduced the previous gains by about half.
WHEAT

Wheat prices in the United States during early October were lower than a month earlier, but averaged about the same as a year ago. Prices declined sharply from September 6 to the 14th, then recovered a part of the loss only to decline again during the first 10 days of October. On October 10, prices of cash wheat in the principal United States markets averaged about 6 cents a bushel lower than a month earlier, while futures prices at Chicago were about 93 cents lower. Prices of futures at Chicago have continued to be much more erratic in their day-to-day movements than have prices at Liverpool. At Liverpool there was a fairly steady downward trend from September 6 to October 10, and the decline from October 4 to October 10 was not nearly so great as at Chicago.

The average farm price as of mid-September was somewhat lower than that of August, being 37.4 cents compared with 36.5 cents a month earlier, and 35.7 cents in September, 1931. The decline of market prices has brought hard winter wheat prices on October 10 to levels about as low as those of mid-July, while soft winter wheat prices are somewhat higher than early in the season. Spring wheat prices, on the other hand, were lower on October 10 than they had been at any previous time during the current crop year. Winter wheat prices are above those of a year ago, while spring wheat prices are considerably lower.

The October crop report showed but little change in the estimate of spring wheat production, the durum wheat estimate for 4 States having been decreased by only 2,000,000 bushels and other spring wheat 1,000,000 bushels. Since there was no change in the estimate of winter wheat production, total wheat production in the United States is now estimated to be 712,000,000 bushels for the current year compared with last month's estimate of 713,000,000 bushels and 894,000,000 bushels produced in 1931.

Present production estimates of 38 Northern Hemisphere countries total 3,208,000,000 bushels, which is approximately 45,000,000 bushels larger than the estimates for those same countries last year. Though reliable estimates for the Southern Hemisphere production are not yet available, present indications are for a crop about the same or a little larger than that of 1931-32. Early indications suggest an increase in the Australian crop, and a somewhat smaller crop in Argentina. The increase of production indicated for the world outside Russia and China, will apparently little more than offset the decrease in world carry-over (including rough estimates of European stocks) as of July 1. It is likely, however, that the total decrease in shipments from Russia during 1932-33 will somewhat more than offset the increase in supplies now available in the rest of the world. Total supplies of wheat available to the world outside Russia and China, now appear likely to be but little smaller than in 1931-32.

Though total supplies available to the world outside Russia and China, may not be greatly different than those of last year, the different distribution of the crop will profoundly affect international trade in wheat. Though crops of the exporting countries of Europe are much smaller than in 1931, total European production is roughly 75,000,000 bushels larger. The large supplies in the importing countries may be expected, in view of the continued drastic restrictions on importation and milling of foreign wheat, to result in smaller imports. Since only small surplus supplies of
Willing wheat appear to be available in the Danube Basin, exports from there are expected to be much smaller than last year. Supplies in North America, South America and Australia continue to be ample, and prospects are that exports from these regions may not be greatly different in 1932-33 than they were in 1931-32.

Thus, for this season, world shipments of wheat and flour from the principal exporting countries have been much smaller than during the corresponding period last year. Total shipments from the first of July through the first week of October have amounted to approximately 137,000,000 bushels this year compared with 202,000,000 bushels during the corresponding period of last year. Most of the decrease has been in shipments from Russia and countries of the lower Danube Basin. Argentine and Australian shipments have also been running somewhat below the levels of last year, while North American shipments have been about the same as last year. Present prospects are that Southern Hemisphere shipments will continue small until the new crop in Australia begins coming to market in December, and that Russian and Danubian shipments will continue much smaller than a year ago.

Although total North American shipments have been about the same as last year, exports from the United States since the first of July have been much smaller. Total exports of wheat as grain from July 1 to October 8 of this year have amounted to about 9,500,000 bushels compared with 33,700,000 bushels during the corresponding period last year. Exports of flour from the United States have also been smaller than last year, amounting to about 1,000,000 barrels this year compared with 2,500,000 last year. These flour exports are the equivalent of about 4,700,000 and 10,200,000 bushels respectively.

During early September the spread between Chicago and Liverpool futures ranged between 51/4 and 6 cents per bushel, based on the difference between the closing quotations of September futures at Chicago and October futures at Liverpool. The spread between the December futures at the two markets, however, was much smaller, ranging from 7/8 to 51/2 cents per bushel during the same period. On October 4, when December futures at Chicago were at their highest level for the first 10 days of that month, they closed only 21/2 cents per bushel lower than Liverpool, whereas on October 10 they were 6-5/8 cents per bushel below Liverpool. This spread is about sufficient to allow a fairly free movement of wheat for export.

**Corn**

Corn prices averaged lower in September than in August. The average price for each week of the month was lower than that for the preceding week and prices were again lower in the first week of October. No. 3 Yellow at Chicago averaged 27.1 cents per bushel for the week ended October 7, compared with 32.2 during the week ended September 9. The United States average farm price as of September 15 was 28.0 cents per bushel compared with 30.2 cents a month earlier and 43.2 cents per bushel in September, 1931.

The approach of the new marketing season finds commercial stocks of corn at the highest level since 1927. Stocks on October 8 amounted to 21,200,000 bushels compared with 6,400,000 bushels on the corresponding date of last year and an average of 8,600,000 for the past 5 years. On October 8, 1927, commercial stocks amounted to 22,600,000 bushels. Corn stocks have been increasing slowly since early August, having risen from 10,632,000 bushels on August 6. This increase is contrary to the usual tendency of declining stocks from early August to October.
September receipts of corn at 14 markets amounted to 19,700,000 bushels compared with 8,200,000 last year and an average of 16,800,000 for September of the past 5 years. September was the first month of the season now drawing to a close, during which receipts exceeded the average for the corresponding month of the preceding 5 years, and August was the only other month of the past 11 for which this year's receipts were not lower than receipts for the corresponding month of any one of the past 5 years. Total receipts from November to September inclusive amounted to 122,000,000 bushels for the current season compared with 181,000,000 last season and an average of 243,000,000 bushels for the past 5 years.

The official crop report as of October 1 indicates a somewhat larger production of most feed grains than was indicated in September. Indicated corn production was raised to 2,385,000,000 bushels, an increase of 51,000,000 bushels, while the indicated production of oats was raised 20,000,000 bushels, barley 10,000,000, and that of grain sorghums decreased 2,000,000 bushels. The combined production of the 4 feed grains, corn, oats, barley and grain sorghums is indicated to be about 111,700,000 tons compared with 89,300,000 last year, 87,200,000 in 1930 and an average of 98,300,000 tons for the past 5 years (1927-1931).

The price declines of the past month may be explained in part by the beginning of the new crop movement, but appear to have been due more largely to factors responsible for the general weakness of the speculative markets. Stock market and wheat price declines have accompanied the declines in corn prices.

APPLES

The production forecast of the total apple crop as of October 1 is placed at 134,000,000 bushels compared with a crop of 202,000,000 bushels in 1931 and the 1924-1928 average of 180,000,000 bushels. Of the total United States crop this year, 28,000,000 barrels are expected to enter commercial channels compared with 35,000,000 barrels in 1931 and the 5-year average of 32,000,000 barrels. Apple production this season is about the same as a year ago in the North Atlantic and Western States, but far below in the balance of the country. The crop is unusually short in the MiddleWest and in the South Atlantic States.

Storms about the middle of September caused a loss in the Nova Scotian apple crop of about 800,000 bushels. The loss would have been greater had not the Canadian Government allowed the fallen fruit to be picked up and marketed. The total Canadian crop is now estimated at 9,500,000 bushels compared with 10,261,000 bushels indicated a month ago, and 11,379,000 bushels harvested in 1931.

Car-lot shipments of apples for the country as a whole totalled a little less than 14,000 cars this season to October 1, or about one-third less than the movement a year ago. The Western States shipped about 32 per cent less than a year ago and the Eastern States about 41 per cent less. The decreased car-lot movement of apples may be attributed not only to the small production this year, but also to a slackened consumer demand and an increase in the movement by trucks.

The farm price of apples declined seasonally from mid-August to mid-September or from 65 cents to 57 cents per bushel which was 14 cents a bushel less than a year earlier. The September 15 average is near the record
low of 56 cents reached in October 1914. At New York l.c.l. prices to jobbers of New York McIntosh apples advanced from 25 to 50 cents per bushel during the first 2 weeks of September but declined 15 to 25 cents during the latter half of the month. Prices of Wealthies followed much the same trend although there was a tendency to strengthen in the higher grades towards the end of September. As supplies of western box apples increased in eastern markets, prices declined between 40 to 50 cents per box. Washington fancy Jonathans declined from $1.90 per box during the third week in September to $1.40 per box during the first week of October.

POTATOES

With but little change in the prospective supply of late potatoes during the past month, market prices moved in a narrow range. New York and Chicago prices weakened slightly during the latter part of September but strengthened somewhat during the first week of October. Car-lot shipments of potatoes so far this season have been considerably less than the reduced shipments during the same period a year ago, partly as a result of increased truck shipments and increased production in deficit areas.

The United States average farm prices of potatoes on September 15 at 32 cents per bushel was 13 cents less than on August 15 and 22 cents less than on September 15, 1931. Mid-September prices were the lowest for any month since July 1910 when the average was 37.9 cents per bushel. From August 15 to September 15 potato prices declined in all regions except in the South Central States where a slight advance was recorded. There was a marked decline in the North Atlantic States, from 61.4 cents to 36.1 cents per bushel, and lesser declines in the other areas, ranging from 6 to 10 cents per bushel. The level of potato prices this fall is lower than what normally would be expected with the present supply and the general commodity price level; this situation may be attributed to the unusual decline in consumer incomes and to the greatly increased supply of home grown potatoes this year.

At New York, prices of potatoes advanced from the low in late August of 81 cents per cwt. to 93 cents during the second week in September, but declined to 84 cents in the first week of October. Maine Green Mountains opened at New York the third week of September at an average of 86 cents per 100 pounds; the next week the average declined to 81 cents and was followed by a recovery of 2 cents per 100 pounds during the first week of October. Potato prices followed a similar trend at Chicago, where they advanced about 11 cents per 100 pounds from the end of August to the middle of September only to lose most of the advance in late September and then recover a few cents during the first week of October.

Car-lot shipments of potatoes to October 1 this season were far short of those of a year earlier. During the week ended October 1 they amounted to only 3,084 cars compared with 6,348 cars during the week ended October 3, 1931. Shipments during September amounted to only 12,738 cars, the lightest for the month since the Department began collecting shipment records in 1917. The small car-lot movement this year is due to a slackening consumer demand, increased trucking and a greatly increased supply of home grown potatoes. The early State moved 46 per cent fewer cars this year than in 1931, and to date the Intermediate States have moved 23 per cent less.

The October forecast of total potato production was the same as a month earlier. Indications are that the crop in the 30 late States will be about
5,000,000 bushels less than in 1931. The major Eastern States the October forecast is 22,000,000 bushels below the 1931 harvest; in the 5 Central States it is 10,000,000 bushels above; and in the 10 Western States it is the same as in 1931. These 18 surplus producing States have about 12,000,000 bushels less potatoes to market this year than last year. On the other hand the 12 other late States have about 7,000,000 bushels more than last year. The total crop this year including the southern early crops is estimated at 357,000,000 bushels compared with 375,000,000 bushels in 1931 and the 1924-1928 average of 361,000,000 bushels. The production of sweet potatoes this year is forecast at 75,000,000 bushels compared with 63,000,000 bushels in 1931 and the 1924-1928 average of 58,000,000 bushels.

RICE

Rice prices continued unchanged during September. The August advance was maintained and sales were below those of September, 1931. At New Orleans fancy blue rose sold at $2.25 per 100 pounds on October 3, the same as that of a month earlier. Fancy California-Japan at San Francisco remained unchanged during the month at $2.20. Blue rose rough at southern mills averaged $1.30 per barrel during September and early prolific averaged $1.55 compared with $2.40 and $1.57 respectively for September, 1931. California rough averaged 95 cents to $1.00 per 100 pounds at Sacramento Valley growing points during September compared to $1.68 a year earlier.

Small receipts of rough and small visible supplies at southern mills during the first 2 months of the current season have aided in strengthening the prices of rough rice. The movement of rough rice to market this year has been slower than for the corresponding period last year. Receipts of rough rice at southern mills totalled about 862,000 barrels during September compared with 1,442,000 barrels a year earlier. Stocks of rough and milled rice in millers' hands on October 1 were reported to be the equivalent of 1,212,000 barrels compared with 1,291,000 barrels a year earlier.

Domestic sales of southern rice during September were somewhat smaller than those of a year earlier and sales to Puerto Rico and to foreign countries were about 6,000,000 pounds less than those of September 1931.

Shipments of milled rice into consuming channels during September were reported to be about 71,000,000 pounds compared with 85,000,000 for September 1931. Exports from southern ports during September totaled about 3,200,000 pounds compared with 5,360,000 pounds for September 1931. Shipments to Puerto Rico were 7,945,000 pounds and 12,076,000 pounds respectively.

California

The peak of the California rough rice marketing will probably be later this year than last but the heavy carry-over has held California rough rice prices low. Exports of California rice during September totaled over 1,300,000 pounds compared with 221,000 pounds for September 1931. About 4,650,000 pounds of California rice were shipped to Puerto Rico during September, whereas, a year earlier only 3,972,000 were shipped. Hawaii bought less California rice during September than during September 1931 the amounts being 6,695,000 pounds for this September and 7,917,000 for last.

The spread between Tokyo and San Francisco prices continue unfavorable for exports of California head rice to Japan. The first forecast of the 1932 Japanese rice crop was 19,339,190,000 pounds, which is about equal to the average of the last 5 years, but 11.5 per cent smaller than the 1931 crop. With the relatively low level of consumption in Japan it is probable that imports from foreign countries may be smaller this year.
ToBacco

Prices of flue-cured tobacco (Types 11-14) sold at auction floor markets during September followed the usual seasonal trend and advanced over those which were paid in August. Total marketings up to October 1 this year of about 125,000,000 pounds averaged approximately 11.75 cents per pound, compared with 9.0 cents for the 227,800,000 pounds marketed in the same period of 1931. Sales are now under way, or have been completed, in all of the four flue-cured districts and prices in each of them have averaged higher than for the corresponding period of 1931. This has been due mainly to improvement in prices for the lower grades of tobacco, but many of the better grades also have advanced, to some extent. However, in spite of the increase in prices per pound the total income from the flue-cured crop promises to be only about two-thirds as great as in 1931.

The October 1 estimate of flue-cured production for 1932, which was placed at 350,432,000 pounds, showed practically no change from that of September 1. This represents a 47 per cent decrease from the production of 1931 and a 52 per cent decrease from the 5-year average 1926-1930. This decreased production in 1932 resulted both from a smaller acreage and lower yields per acre. The acreage was first reduced about 27 per cent from that of a year earlier on account of the low prices received in 1931. Later, a shortage of plants resulting from freezes and damage by diseases and insects brought about an additional reduction of some 10 per cent. Yields per acre in 1932 are estimated to be only 557 pounds, compared with 631 pounds in 1931 and a 5-year average, 1926-1930, of 713 pounds. This has been due partly to unfavorable weather during parts of the growing season and partly to reduced applications of fertilizer and poor plants.

The stocks of flue-cured tobacco reported by dealers and manufacturers at the beginning of the present market season were 745,600,000 pounds. This is an increase of 10 per cent over the quantity on hand July 1, 1931. However, in spite of this increase in stocks the total supply of 1,095,600,000 available for 1932-33 is 16 per cent less than that of 1931-32 and 13 per cent less than the 5-year average, 1926-27 to 1930-31.

The consumption of products made from flue-cured tobacco apparently has continued to decline in most countries. In the United States, however, the sales of internal revenue stamps, which are indicative of domestic consumption, for August 1932 made the most favorable showing as compared with a year earlier that has been reported in many months. Combined sales of tax stamps for use on cigarettes and manufactured tobacco (smoking and chewing) declined less than in any previous month for more than a year. Cigarettes actually showed a small increase of 0.5 per cent when compared with August 1931 and manufactured tobacco declined only 1 per cent. For the first 8 months of 1932, compared with the same period of 1931, cigarettes declined 11 per cent and manufactured tobacco declined 4 per cent.

Latest reports from the United Kingdom (July, 1932) indicate that consumption of tobacco there recently has been declining at an increased rate. During most of this depression home consumption in the United Kingdom showed remarkable stability, and for 1931 declined only about 1 per cent from the high level of 1930. In continental Europe indications are that the consumption of flue-cured products still is declining; but that the rate of decline probably is not as great as in 1931. The quantity of flue-cured tobacco exported during August accounting to 2,500,000 pounds was the smallest for that month in recent years. For the first 8 months of 1932 total exports were only 113,000,000 pounds. This is only about half as large as the quantity exported during the same period of 1931 and 36 per cent less than the 5-year average, 1926-1930, for these months.

-8-
Markets for types of tobacco other than flue-cured have not yet opened. Sales in the Virginia fire-cured and sun-cured districts will begin the latter part of October but for other important types the auctions will not start until about December 1. Production in most districts is materially less than that of other recent years and reports so far indicate that quality is from fair to good.

HOGS

Increasing market supplies of hogs without a corresponding increase in demand for pork and lard resulted in a steady decline in hog prices during September and early October. Although prices strengthened temporarily at intervals, the general trend has been downward since the high point of the summer was reached early in July. The average price at Chicago dropped from $4.89 per 100 pounds for the week ended July 9 to $3.71 for the week ended October 8. The average Chicago price in September was $4.00 compared with $4.21 in August and $5.41 in September last year. The premium commanded by light hogs over heavy hogs dropped from 70 cents in early September to 32 cents the first week in October. During the first week in October last year heavy hogs were selling for higher prices than the light weights.

Slaughter supplies of hogs were relatively large in late August and then continued to increase throughout September. Federally inspected slaughter for the month, amounting to 3,252,000 head was the largest September slaughter on record and was 9.5 per cent larger than in August and 10.1 per cent larger than in September last year. This is the third year in succession and the eighth year on record that September slaughter has been larger than August slaughter.

The unusually large slaughter supplies in August and September were due largely to the marketing of hogs that had been held back early in the summer when prices were extremely low. Because of these delayed marketings average live weights of slaughter supplies continued relatively high until the first week in October. In most years, weights fall off rather sharply after late August. The average live weight of hogs at the seven principal markets during September was only slightly lighter than in August but was about 5 per cent heavier than in September last year. During the other 11 months of the 1931-32 hog crop marketing year, average weights of hogs slaughtered were lighter than those of a year earlier.

The 1931-32 hog marketing year ended September 30, with 46,655,000 hogs having been slaughtered under Federal inspection. This was an increase of 3,097,000 head, or 7.1 per cent over the slaughter of the previous year. Because of lighter weights at which hogs were marketed, the increase in total dressed weight was only about 4 per cent. Slaughter during the period, May to September, the marketing season for the fall pig crop, amounted to 16,403,000 head and was 9.4 per cent larger than that of the corresponding period in 1931.

Corn prices declined steadily during September and at about the same relative rate as hog prices. The United States hog-corn price ratio, based on farm prices as of September 15 was 13.5 or about the same as in August, but was somewhat higher than in September last year. Between mid-August and mid-September, the ratio rose considerably in the Western Corn Belt and declined appreciably in the Eastern Corn Belt with the result that the relationship between the ratios for these two sections is now more nearly normal. During the 12 months previous to September, the ratio in the Eastern Corn Belt was considerably higher than that in the Western Corn Belt; ordinarily, it is lower.
Wholesale prices of pork, both fresh and cured, were steady during the first half of September, but weakened during the last half of the month and in the first week in October. The weakness was more pronounced in the prices of fresh cuts than with those of cured pork. Prices of hams declined more than prices of bacon. Average lard prices at Chicago advanced from $7.25 to $7.75 per hundred pounds during the third week in September but declined to $7.00 in the first week in October.

Storage stocks of hog products continue relatively small. Less pork moved out of storage in September this year than last, however, and stocks on October 1 were somewhat larger than those of a year earlier. This is the first time since January 1 that pork stocks at the beginning of the month have been as large as those of the corresponding date in 1931. Stocks of pork on October 1, totalling 497,000,000 pounds were 5 per cent larger than those of a year earlier and 5 per cent smaller than the 5-year average for that date. Stocks of frozen pork and dry salt cuts were 25 and 23 per cent, smaller respectively than the 5-year averages for October 1, but those of pickled pork were 7 per cent larger. Lard stocks totalling 71,000,000 pounds were 2 per cent larger than those of October 1, 1931, but they were 35 per cent smaller than the 5-year average for that date.

Exports of lard during August, totalling 36,000,000 pounds, were about 1 per cent larger than in August last year, but were 28 per cent smaller than the 5-year average for the month. Pork exports were sharply reduced and the total of less than 8,000,000 pounds was 43 per cent smaller than in August last year and 68 per cent smaller than the 5-year August average. Shipments of both pork and lard from the principal United States ports during September were larger than in August.

Although hogs from the 1931 fall pig crop are still being marketed, supplies during the last 2 weeks have included a fairly large proportion of hogs from the pig crop of last spring and the seasonal increase in marketings is now under way. Slaughter supplies during October probably will not be greatly different from those of October last year, but returns from the June Pig Survey indicate that supplies from October to April inclusive will be smaller than those of a year earlier.

**CATTLE**

The cattle market was fairly strong during most of September, but declined during the last week of the month and the first week in October. The average weekly price of choice beef steers at Chicago for the week ended September 17 at $9.54 was the highest for any week since last January and was $2.39 a hundred above the low week about the middle of May. The following week brought little change in the average price, but during the next 2 weeks a rather sharp decline occurred which brought the average of choice steers to $9.12 and declines of about 50 cents on other grades.

Prices of the better grades of heifers tended to follow the prices of better grade steers, but prices of the lower grade heifers and all grades of cows weakened steadily during the month and early in October those were back to about the lowest levels yet reached. Prices of stocker and feeder steers also followed beef steer prices, strengthening during most of the month but declining somewhat the last week.

The general level of beef steer prices in September this year was only a little lower than in September 1931. The average monthly price of choice steers this year was 20 cents lower, good steers 45 cents lower, medium steers
-11-
6 cents higher, and common steers 20 cents higher. The higher prices for the lower
grade beef steers this year reflected the rather strong demand for heavy weight
feeders this year.

Supplies of cattle in September continued small. Receipts at seven leading
markets were 3 per cent smaller than the small receipts in September last year and
the smallest for the month in many years. Inspected slaughter, while 4 per cent
larger than in September 1931, was 5 per cent smaller than the 5-year average and
the second smallest since 1916. Inspected slaughter of calves was 7 per cent
smaller than in September last year but about equal to the 5-year average.

Shipments of stocker and feeder cattle into the Corn Belt States in Sept-
ember were relatively small, although probably a little larger than the very small
shipments in September 1931. For the 3 months July to September this year ship-
ments were 8 per cent larger than last year and 5 per cent above the 5-year
average. With feed grain production in the Corn Belt States much larger than last
year and above average, and all kinds of feeds abundant and prices very low, a
heavy movement of stocker and feeder cattle in September would normally have been
expected. The light movement was due, apparently, to the small supplies of cattle
available rather than to lack of demand. Market receipts of cattle for the 3
months, July to September, this year were much below last year and the smallest
for many years. The heavier shipments of feeder cattle from July to September
were due to the fact that most of the decrease in receipts was in cows and heifers,
and steers were little changed and that an unusually large number of heavy feeders
were taken out that in most years would have gone into slaughter.

Supplies of both grain-fed and grass-fed beef steers and stockers and
feeders, are expected to be fairly liberal during the last 3 months of this year,
but there are no indications as yet of any tendency toward heavier marketings
of cows. With money for feeding operations now available from the Regional
Agricultural Corporations the movement of feeder cattle for the balance of the
year may be relatively large, which will tend to support the prices of slaughter
steers.

BUTTER

Creamery butter production in May, June and July was 2.6 per cent less
than in the same months of 1931, but in August production was 3.8 per cent larger
than a year earlier. Cold storage holdings of creamery butter are larger than
a year ago, but below average. The movement of butter into consumptive channels
in August was less than a year ago, even though retail prices were 22 per cent
lower. The farm price of butterfat is low, but it is relatively high in relation
to prices of feed grains. With more cows on farms and butterfat prices high in
terms of grain, the seasonal decline in butter production will probably be less
than usual.

Production of creamery butter in August of 144,500,000 pounds was 3.8 per
cent larger than a year earlier. This was the largest increase over the same
month of the preceding year since February. For the first 7 months of 1932,
production was about the same as in 1931. August production was only 9 per cent
less than July compared with the usual seasonal decline of about 13 per cent. In
the South Atlantic and Western States, August production was less than a year
earlier. In each of the other groups of States, production was larger; the largest
increase being 11 per cent in the East North Central States.

Milk production per cow on October 1 of 12.1 pounds, as reported by crop
reporters, was about 1 per cent less than a year ago. With about 4 per cent
more milk cows on farms, milk production on October 1 was about 2 to 3 per cent
larger than on October 1, 1931. The decline in milk production per cow from September 1 to October 1 was only one-half as great as the average decline between these two dates. The percentage of cows milked on October 1 was somewhat less than a year ago, but about average for that date.

The price of 92-score butter in New York in September averaged 20.8 cents, compared with 20.3 cents in August, and 32.5 cents in September, 1931. The rise from August to September was small compared to the usual advance in the monthly average price of about 6 per cent from August to September. Prices in the first week of October averaged about the same as in September. The farm price of butterfat on September 15 of 17.6 cents was only 0.1 of a cent higher than a month earlier, 9 cents or 34 per cent less than a year earlier, and about 30 per cent below the pre-war average.

From August 15 to September 15, the farm price of grains declined. On September 15, the farm price of butterfat was higher in terms of feed grains than on August 15, and higher than a year earlier.

Trade output of creamery butter in August of 147,100,000 pounds was 1.7 per cent less than in August 1931. This is in contrast to the 3.8 per cent increase in production. The retail price of butter in August of 26.8 cents per pound was about 3 cents higher than in July, but about 22 per cent less than a year earlier. These changes indicate that consumer expenditures for butter in August were about 23 per cent less than in August 1931.

The net-out-of-storage movement of butter in September was only about three-quarters as great as the out-movement in September, 1931, but about 25 per cent larger than the 5-year average for September. Cold storage holdings of creamery butter on October 1 of 89,500,000 pounds were 9,300,000 pounds more than a year earlier, but with the exception of 1931, holdings on October 1 were the smallest for that date since 1921.

From September 15 to October 6, foreign butter prices declined. The official quotation in Copenhagen declined about 1 cent, and prices in London were somewhat lower. On October 6, the price of 92-score butter in New York was 5.2 cents higher than the Copenhagen official quotation and 3.4 cents higher than New Zealand butter in London.

CHEESE

The decline in cheese production from July to August was less than the usual seasonal decline, and production in August was somewhat greater than a year earlier. In the spring and early summer, production was about 10 per cent less than in 1931. In contrast with the increase in production, the movement of cheese into consumptive channels in August was about 2 per cent less than a year earlier. Cold storage holdings of cheese are small but there was an into-storage movement in September instead of the usual out-of-storage movement. Cheese prices in Wisconsin in September at 11.0 cents per pound were somewhat higher than in August, but about 20 per cent less than in September 1931.

Cheese production in August of 44,500,000 pounds was 7 per cent less than the record August production in 1929 but 1.0 per cent larger than in August 1931. This was in marked contrast to the first 7 months of the year when production was about 10 per cent less than in the same period of 1931. The decline in cheese production from July to August was only 5 per cent as compared with the usual seasonal decline of about 14 per cent. In Wisconsin and in the North Atlantic States, production of American cheese in August was less than a year earlier, but in each of the other groups of States, August production was decidedly larger in the same month of 1931.
The ruling price of cheese (twins) on the Wisconsin Cheese Exchange in September of 11.0 cents was 0.4 cents higher than in August, but 3.0 cents less than in September 1931. The increase in price from August to September was about the same as the usual seasonal increase.

The movement of cheese into consumptive channels in August of 45,300,000 pounds was about 2 per cent less than in August 1931, whereas production was 1 per cent larger. The retail price of cheese in August of 22.5 cents was 3 per cent higher than in July but 15 per cent less than in August 1931.

Cold storage holdings of American cheese on October 1 of 68,200,000 pounds were 2,800,000 pounds less than the small holdings of a year earlier, and the smallest for October 1 since 1927. In September there was a net-into-storage movement of 1,400,000 pounds compared with an out-of-storage movement in September 1931 of 2,800,000 pounds. Only 4 times in the last 18 years has there been a net-into-storage movement in September.

Imports of cheese in August of 4,400,000 pounds were about the same as a year earlier. From September 8 to October 6 the price of Canadian cheese in London (on a gold basis) advanced about one-half cent a pound, while the price of New Zealand cheese rose about 0.3 of a cent. On October 6, the margin between the domestic price of cheese and the price of Canadian cheese in London was 3.4 cents a pound.

**EGGS**

Egg prices during September advanced at a more rapid rate than usual because of relatively light current and prospective supplies. Receipts of fresh eggs have been somewhat less than a year ago and storage stocks are much lower than in recent years.

Prices of special packed midwestern eggs at New York averaged 23.5 cents in September, an advance of 2.5 cents over the August average. Rehandled receipts advanced 3.5 cents from their August average to 20.8 cents. The farm price of eggs on September 15 was 17.2 cents compared to 14.7 cents on August 15 and 19.1 cents on September 15, 1931.

The farm price of eggs on September 15 was 83 per cent of the 1910-1914 September average, whereas in August it was 81 per cent. Grain prices were 42 per cent of pre-war in August and only 40 per cent in September. Prices of meat animals also showed a decline from 67 per cent to 64 per cent. The rise in egg prices is an inducement to save hens and pullets this fall but this may be partially offset by the opportunity to sell chickens at their present relatively higher prices.

Reports from crop correspondents indicate that the increase in the number of hens and pullets of laying age in farm flocks in the East North Central States from September 1 to October 1 was about 9-1/2 per cent; the same as a year ago. In the West North Central States the increase was about 8-1/2 per cent this year compared to 10 per cent last year. In the Far West, including the Mountain States, the increase this year was 2 per cent compared to 8 per cent in 1931.

Receipts of eggs at the four markets during September were the lightest in the past 10 years, being 802,000 cases compared to 894,000 cases a year ago and a 5-year average of 884,000 cases. A large part of the difference is due to a marked reduction in receipts from the Pacific Coast. For the week ended October 1 receipts at country packing plants were reported at 13 per cent below the corresponding week last year for the Pacific Coast States, but 24 per cent above a year ago for the Central West.
United States cold storage holdings of case eggs on October 1 were 4,895,000 cases compared to 7,960,000 cases a year ago and a 5-year average of 6,166,000 cases. Peak holdings this year were about at the level prevailing in the period before 1922. On August 1 this year they were 6,422,000 cases compared to an average of 6,697,000 cases from 1915 to 1921. The October 1 average for this same period is 5,645,000 cases, indicating a more rapid rate of consumption of storage eggs.

CHICKENS

The farm price of chickens in mid-September was about the same as the level that existed during the summer. Receipts, which have been much less than a year ago, increased sharply in the last half of September to nearly the level of the same period in 1931. Storage stocks are unusually low.

The farm price of chickens on September 15 was 11.6 cents a pound compared to 11.7 cents on August 1, 15.7 on September 15, 1931, and was the same as the September average for the years 1910-1914. This is the only commodity in the series of monthly farm prices published by this Bureau which is as high as pre-war level. With an estimate of 7.5 per cent more chickens raised this year than last and with the relatively favorable farm price of chickens, heavy receipts may be expected this fall and winter.

Receipts of dressed poultry at the four markets during September were 24,000,000 pounds compared to 32,000,000 a year ago and a 5-year average of 26,000,000 pounds. For the week ended October 1 receipts were 6,700,000 pounds, the same as the week before, compared to 6,800,000 pounds for the corresponding week in 1931.

Storage holdings of dressed poultry, which are now just above the seasonal low point of the year, are quite low, being 56,661,000 pounds on October 1 compared to 56,200,000 pounds on October 1, 1931 and a 5-year average of 50,400,000 pounds.

LAMBS

The lamb market after continuing at an unusually stable level from the middle of August to the middle of September, declined rather sharply during the latter part of the month. This decline carried the prices of slaughter lambs to the lowest point since the end of last May. The top on choice lambs at Chicago which had been around $6.50 for some weeks dropped below $5.00 before the end of the month and to $5.65 early in October. Prices of feeder lambs advanced about 75 cents from the middle of August to the middle of September, but a part of this advance was lost although best feeder lambs are still above $5.00 at Chicago. The spread between slaughter lambs and feeder lambs early in October was the narrowest since the fall movement got under way.

Supplies of slaughter lambs in September continued relatively large. Inspected slaughter was the same as in September 1931, which was the largest for that month on record. Market receipts of lambs and sheep, however, were much smaller than last year, with the number at the 7 leading sheep markets 17 per cent smaller. This discrepancy between receipts and slaughter was due to the big decrease in the shipments of feeder lambs in September this year. The estimated shipments (inspected through markets) into the Corn Belt States were only about 55 per cent as large as in September 1931, 80 per cent of the 5-year September average, and the smallest since 1921. For the 3 months July to September such shipments were only 53 per cent of a year previous and the smallest in 14 years.
All present indications point to a sharp decrease in the number of lambs to be fed this year in the Corn Belt, with no offsetting increase in other States, although most of the Western States, except Colorado, will probably feed more lambs this year than last.

Market supplies of lambs will continue to run below last year for the next few months. While there will be some decrease in slaughter it will not be relatively as large as decreases in receipts. In most years a fair indication as to the total volume of lamb feeding, and hence of slaughter during the 6 months October to April, can be secured from the figures of total sheep and lamb slaughter during the 6 months, May to October, inclusive. During the 10 years, 1922 to 1931, the slaughter from May to October, during which period most of the animals slaughtered are grass fat, averaged a little more than 51 per cent of the total crop year slaughter, May 1 to April 30, and the departure from this average in any year was small. The slaughter during those months this year, with October estimated, will be around 9,200,000 head. If this were 51 per cent of the total, the total for the crop year would be about 18,000,000 head and for the 6 months, November to April, during which period most of the slaughter is of fed lambs, would be about 9,800,000 head. This would be somewhat smaller than last year but much above any other recent year.

Considering the reduction in the size of the lamb crop and other conditions it seems probable that the distribution of slaughter this year will be more like that of the crop year 1921-22, when the slaughter during the first 6 months was 57 per cent of the total. If it should be as large a proportion this year the total would be about 16,200,000 and for the 6 months November to April, it would be only about 7,000,000 which would be smaller than for the preceding 5 years but above any other year since 1913.

WOOL

The domestic wool market has been somewhat quiet following the extreme activity of August and early September. Prices, however, remained firm and some further advances were made during the month ended October 8. Advances in prices at Boston from the low point in July to early October ranged from 33 to 60 per cent for the various grades. For the week ended October 9, fine (64s, 70s, 80s) strictly combing territory wools, secured on a cash basis, were 47-50 cents a pound at Boston compared with 46-48 cents 1 month earlier. Territory 56s were 42-44 cents a pound the first week in October compared with 41-43 cents in September. Ohio and similar grease wools ranged from 16 to 23 cents a pound. The sharp rise in domestic prices caused some inquiry on foreign wools at Boston but prices of most wools, particularly the finer grades, are still considered below an import level.

Foreign wool markets are steady. The sixth series closed at London on October 17 with prices of merino combing wools around the highest levels reached at the series, but prices of other wools were weaker. Compared with the close of the previous series prices were 5 to 15 per cent higher. Prices at this series and at recent sales in the Southern Hemisphere have been largely maintained by continental and Japanese competition. While the wool industry of the United Kingdom has shown more confidence generally during the past month, Bradford buyers are purchasing with caution due to a shortage of cloth orders. Continental wool markets report an improvement.

Consumption of combing and clothing wool showed further improvement during August. Reported consumption for the month was 39,000,000 pounds (grease equivalent), an increase of 62 per cent over the July consumption of 24,000,000
pounds and 3 times as large as consumption at the low point in May. Reported
consumption for the first 8 months of the present year was 188,000,000 pounds
(gross equivalent) or only two-thirds as large as consumption reported for the
same period in 1931.

Receipts of domestic wool at Boston were somewhat above normal for
September but total receipts for the first 9 months of the year were only
181,000,000 pounds compared with an average of 204,000,000 pounds for that period
for the 5 years 1927-1931. Last year receipts were very large and 237,000,000
pounds had been received by October 1. Imports of combing and clothing wool from
January through August 1932 were only 15,740,000 pounds compared with 30,395,000
imported in that period last year.

Shearing of the new clip began unusually early this year in Southern
Hemisphere countries. Favorable weather conditions combined with better prices
for the new clip accelerated shearing operations, especially in Australia. The
prospective supply of wool for disposal during the entire 1932-33 season in four
important Southern Hemisphere countries (Australia, New Zealand, Union of South
Africa and Uruguay) is provisionally estimated at 1,850,000,000 pounds,
including carry-over; an increase of about 5 per cent above 1931-32. No estimate
of production is as yet available for Argentina. The bulk of the wool carried
over at the end of 1931-32 was crossbred and a considerable portion is reported
to be in New Zealand with fair quantities in South American countries.

COTTON

Cotton production estimates for the United States have been practically
unchanged since the first one of the year, issued August 8. This year's crop
is placed well below last year's world consumption of American cotton but
because of the extremely large carry-over the total supply is larger than world
consumption in the past 2 years combined. Some important reductions have been
made in foreign cotton crop, but due to larger crops in India and China, foreign
supplies promise to be greater this year than last.

Following the high point reached on August 27 the trend of cotton prices
has been downward. Prices of the more distant futures are down nearly to the
levels of the first week of August. Spot prices, however, are over a cent a
pound above the level of the first week in August and are at almost the exact
level of the second week of August.

Domestic mill consumption was rather high in September reflecting the
large buying movement in cotton textiles that occurred in August and early
September. Trade reports indicate that during the heavy buying movement the
output of many mills was sold for 2 or 3 months in advance. Exports are running
ahead of last year and are more normally distributed among countries. During
the first 2 months of the season there was a buying movement in Europe very
similar to the one in the United States.

Prices received by producers rose from 4.5 cents per pound on June 15 to
6.2 cents per pound on September 15 compared with 5.9 cents per pound on
September 15, 1931. From the high point of 8.84 cents for middling 7/8 inch
cotton at the 10 spot markets reached August 27, prices declined to 6.29 cents
on October 13. Much of this decline was associated with a decline in prices of
industrial stocks. One of the marked features of cotton prices in the past few
weeks has been the strength of spot prices in comparison with futures. For the
week of October 3 to 8, prices at the 10 spot markets averaged 6.80 cents per pound whereas the October futures in New York averaged 6.88, a difference of .08 cents per pound. For the corresponding week last year the difference was .48 cents per pound. The difference between prices at the 10 spot markets and New York contracts for delivery next July was .46 cents per pound for the first week of October compared with .96 cents per pound the first week of August.

This narrowing of the spread between spot and futures prices reflects in part the current demand for spot cotton and the moderate marketings of the new crop together with the strength with which old cotton is being carried. The October forecast places the 1932 cotton crop at 11,425,000 bales compared with the final estimate of last year's crop of 17,096,000 bales. The October estimate was 115,000 bales above the September estimate and 119,000 bales above the August estimate.

Cotton consumption in the United States rose to 492,000 bales in September compared with 434,000 bales in September 1931. This was the first month since February 1932 that cotton consumption exceeded that for the corresponding month of the previous year. Exports of cotton from the United States amounted to 734,000 bales in September compared with 558,000 bales in September 1931 and 908,000 bales in September 1930. For the first 2 months of this year exports have amounted to 1,186,000 bales compared with 769,000 bales the first 2 months of last year and 1,263,000 bales above the corresponding months for 1930. The greatest increases in exports over last year were those to Germany, France and the United Kingdom. Exports increased to practically all European countries, however, but were smaller to Japan, China and other countries. The increase in exports to Europe reflects the buying movement that occurred there at the same time the heavy buying of cotton textiles took place in the United States. The decrease in exports to Japan and China reflects the large stocks of American cotton in those countries and the larger Chinese and Indian cotton crops.

The weekly average rate of cotton cloth production in the United States rose 26 per cent in September according to reports of the Association of Cotton Textile Merchants of New York. Sales amounted to 102.6 per cent of production for the month but weekly average sales fell from 127,653,000 yards in August to 58,482,000 yards for September compared with 55,654,000 yards for July and 50,507,000 yards for the last crop year as a whole. Current market reports indicate that the heaviest sales for September occurred in the first part of the month. Shipments increased and stocks of goods on hand declined to now low levels. Unfilled orders, although 6.6 per cent below those at the end of August, were the highest of any other month since March, 1929.
## Business statistics relating to domestic demand

<table>
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<tr>
<th>Year and month</th>
<th>Industrial Fact-</th>
<th>Commodity prices</th>
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</thead>
<tbody>
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1/ Federal Reserve Board indexes, adjusted for seasonal. 2/ U. S. D. A. August 1909-July 1914 = 100. 3/ Bureau of Labor Statistics' index. 4/ Weighted average of indexes for 8 foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands. 5/ The Analist. Average of daily rates on commercial paper in New York City. 6/ Dow-Jones index is based on daily average closing prices of 30 stocks.