FARM PRICES

Market prices of farm products indicate that the general level of farm prices in mid-December is perhaps a little lower than a month ago. Market prices of cotton, corn, and most livestock have declined further the past month. However, these declines have been offset in part by seasonal advances in dairy and poultry products and some fruits and vegetables.

The index of farm prices on November 15 was 54 per cent of the 1910-1914 average compared with 56 a month earlier, 52 at the low point in June, and 71 per cent in November last year. Except for the seasonal advance in butter, butterfat and eggs, the only major farm products to advance in price from mid-October to mid-November were barley, with a considerable advance, and sheep, with a slight advance. Mid-November farm prices of wheat, corn, apples, cattle, calves and lambs were at the lowest level in the 24 years for which records are available.

The exchange value of farm products for the goods farmers buy was 51 per cent of the pre-war average on November 15 compared with 52 a month earlier, 47 at the low point in June, and 59 per cent in November 1931.

WHOLESALE PRICES

The general level of commodity prices at wholesale is now slightly below the previous post-war low reached last June. The advance which took place during July - September has, like several others since 1929 proved only temporary. The Bureau of Labor Statistics Index averaged 92.3 per cent of the 1910-1914 average for the week ended December 5 compared with 95.9 for the week ended September 10 and the previous low of 93.0 in mid-June. The decline in the general index since the first part of September is due to lower prices of farm products, foods, textiles, hides and leather and house furnishing goods.

Both farm product and food prices after reaching, during the first week of November, nearly the low levels of last June, advanced during the middle of the month but weakened again by the first week of December. Textiles and hides and leather have shown a fairly continuous decline from the middle of October to the first week of December. Metal products, and building materials have remained fairly stable at a somewhat higher level than that of last July, while house furnishing goods have remained unchanged at their lowest levels reached so far in this depression.

The important group indexes included in the Bureau of Labor Statistics index of prices of "all commodities" (1910-1914 = 100) for selected periods are as follows:
Weel: ended 1929 1931 1932 Dec. 3, 1932

<table>
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<tr>
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<th>Dec. 1929</th>
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<tr>
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<tr>
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<tr>
<td>All commodities</td>
<td>136</td>
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Lower price levels since September are also evident in foreign countries. Monthly indexes now available for 16 countries show lower prices in October than in September in practically all cases. Weekly indexes since then show very little change in prices in England during the past few weeks in spite of a further drop in British exchange. Crumps weekly index of currency prices which averaged 62.5 per cent of the 1926 level in the first week of November and 63.1 in the third week, returned to 62.6 per cent by the first week of December. In Italy, currency prices declined from 42.5 per cent of the 1926 average for the first week of November to 46.1 by the end of the month.

BUSINESS CONDITIONS

Business activity during November continued near the October level, with evidence of a declining tendency toward the end of the month. Most of the August to September advance was thus maintained. However, no material improvement has as yet appeared in the demand for farm products. The production of pig iron, coal, and cotton goods showed little change while steel mill activity was lower during the last half of November than during the first half. Automobile output averaged higher during November than during October, and the movement of goods by rail which declined more than seasonally during the first part of November due to a falling off in l.c.l and miscellaneous commodities, increased more than seasonal toward the end of the month. Electric power consumption was somewhat lower at the end of November than at the beginning, but construction contracts awarded failed to show the usual seasonal reductions because of an increase in non-residential contracts.

Factory employment, which had shown a noticeable increase in September, again increased in October, though at a smaller rate than in the previous month, and that improvement has apparently been maintained during most of November. The August-September improvement in output, due chiefly to a spurt in textiles, foods and other products of current consumption, was barely being sustained.

Banking activity also showed very little change during November. Loans on securities and other obligations remained unchanged, as did bank investments. Bank deposits, however, were somewhat higher at the end of the month than at the beginning. The Federal Reserve banks continued to show increasing gold holdings, but no change in their holdings of Government
securities. Interest rates, already low, declined still further during November. Security prices tended downward during the month to the low levels reached in October, but well above the low point in June, followed by a considerable strengthening during the first week of December.

WHEAT

An abrupt decline about the middle of November brought wheat prices to new low levels, but there was some recovery in early December. On December 10, prices were about as high as on any day in November. The rise appeared to be due largely to reports of unfavorable prospects for the recently sown winter wheat crop in the United States. Traders of importing countries continue at a low level and the Southern Hemisphere crop which is now being harvested appears to be a little larger than last year.

Due to the rapid decline in wheat prices which took place during October farm prices in mid-November were somewhat below the October levels. The United States average farm price in November was 32.5 cents compared with 34.6 cents the month previous, and 50.5 cents per bushel for November of last year. Prices of around 25 cents per bushel were common in many of the more remote wheat producing regions, whereas in some of the deficit areas of the East and Southeast, prices of over 50 cents per bushel prevailed.

At the principal terminal markets, prices during November averaged lower than at any time since modern transportation to these points was developed. Thus, at Chicago a low of 41½ cents for December futures was reached on November 25, which was the lowest since future trading was established at Chicago. At Kansas City No. 2 Hard Winter averaged 42.6 cents per bushel, while at St. Louis No. 2 Red Winter averaged 47.3 cents. In the spring wheat market prices were somewhat higher, No. 1 Dark Northern Spring averaging 30.5 cents per bushel, and No. 2 Amber Durum 49.9 cents at Minneapolis.

The rise in prices since the end of November in United States markets has occurred in spite of continued weakness in Liverpool quotations. On November 29, December futures closed at Chicago at 41-7/8 cents per bushel, and at Liverpool at 49 cents, a difference of over 7 cents per bushel. On December 10, on the other hand, there was a difference of only 2-5/8 cents per bushel, Chicago December futures closing at 45-7/8 cents, and Liverpool at 48½ cents.

At no time thus far during the current season has the spread between Chicago and Liverpool prices been sufficient to allow for a free export movement. Total exports of wheat and flour during the first 5 months of the crop year have amounted to about 23,000,000 bushels, of which approximately 15,000,000 have been wheat grain. Apparently, however, only about 4,000,000 bushels of this export business in wheat has been done in the ordinary course of trade. All of this 4,000,000 bushels appears to have been exported from Gulf and Pacific Coast ports. Net exports of wheat including flour from the United States during the months July to November have amounted to approximately 21,000,000 bushels. With a wheat crop estimated at 71,000,000 bushels, and probable domestic utilization placed at 660,000,000 (see The Price Situation for September) it would appear that exports of 52,000,000 bushels are necessary to keep the carry-over from increasing. At the rate of 21,000,000 bushels of net exports in 5 months, almost exactly 52,000,000 bushels would be exported in 12 months. However, in view of the fact that wheat grain exports thus far during the season appear to have been largely from Grain Stabilization Corporation stocks; it seems doubtful that there will be
net exports of 52,000,000 bushels during the entire crop year unless prices at Liverpool are higher relative to Chicago at some time during the next seven months than they have been during the past five months. However, even though no additional exports should take place, there would be but little increase in the carry-over if our present crop estimates and our assumptions as to the probable domestic utilization are correct.

In view of all these circumstances, indications as to the probable outturn of the 1933 winter wheat crop become of utmost importance. Weather conditions have been very unsatisfactory throughout a large part of the Winter Wheat Belt. In the western part, where the amount of precipitation appears to be a limiting factor in determining yields, rainfall has been scanty, while in the more humid regions, where rainfall during the fall months, appears to be a detrimental rather than a helpful factor, the precipitation has been heavy. The possibility of another short winter wheat crop has consequently become a factor to reckon with. It should be borne in mind, nevertheless, that stocks of wheat in the United States continue very large. The carry-over as of July 1, this year, was approximately half the size of the new crop.

While the outlook for our own winter wheat crop is of outstanding importance in United States markets, European demand conditions and crop conditions in the Southern Hemisphere are also of importance. There has thus far been relatively little change in the demand situation on the Continent of Europe. European countries are still in the process of using up supplies of their unusually large harvests of home-grown wheat. France has recently increased the amount of domestic wheat which must be milled from 97 to 99 per cent, and this action gives further indication that there will be little market for foreign wheat in France during the year. World shipments for the past two months have been averaging in the vicinity of 15,000,000 bushels weekly compared with a level of over 16,000,000 bushels weekly a year ago. With the demand for wheat by importing countries restricted by both large crops and severe barriers to importation, there is considerable uncertainty as to how the market will react to supplies of new crop wheat which will soon be coming from the Southern Hemisphere. Present prospects are for a crop somewhat larger than last year. The Australian crop is now officially placed at about 200,000,000 bushels, compared with 130,000,000 bushels last year, whereas, the Argentine crop is officially estimated at 231,000,000 bushels compared with 226,000,000 a year ago. Private estimates of both the Australian and Argentine crops are somewhat higher than the official estimates.

CORN

Corn prices rose somewhat during early November and then declined to new low levels during the latter part of the month. In a general way the movement was quite similar to that of wheat prices, but the net decline during the month was somewhat greater, indicating that corn prices are under the pressure of the new crop movement. Shipments, however, have been small.

The United States average farm price of corn as of November 15 was 19.4 cents per bushel compared with 21.5 cents a month previous and 36.3 cents in November of last year. At Chicago, No. 3 Yellow corn averaged 24.9 cents per bushel for the month of November, but only 23.0 cents for the week ended December 9. This is the lowest level of corn prices which has been reached at Chicago since 1896. In that year No. 3 Yellow corn was but little above 20 cents per bushel in December, and averaged about 20 cents per bushel during
January and February, and then rose gradually to about 30 cents per bushel during late August and early September.

Receipts of corn at 14 markets during November totaled 12,800,000 bushels compared with 11,800,000 bushels last November, and an average of 18,500,000 in November of the past 5 years. Wheat and rice amounted to 9,600,000 bushels compared with 6,800,000 last November, and an average of 6,800,000 bushels for the past 5 years. But many is industrial utilization of corn at a low level, but the demand for corn for feeding is poor. The combination of poor industrial demand and poor demand for feeding prevents a heavy movement from farms to the principal markets. Thus far there has been no marked accumulation of stocks in the principal markets. The low point of stocks was reached last August, when 10,500,000 bushels were in store August 6. Since then stocks have increased to 29,300,000 bushels on December 10.

POTATOES

Potato prices in eastern markets have shown considerable strength during recent weeks. Prices at New York for the first week in December were 11 cents per 100 pounds above those of a month earlier and 4 cents higher than a year earlier. At Chicago, an advance of only 4 cents per 100 pounds occurred during the same 30-day period, although Chicago prices were 29 cents lower than a year ago. The differences in the price trends in the eastern and western markets may be attributed to the difference in the distribution of supplies this year. It is estimated that the three eastern surplus States produced only 86,000,000 bushels of potatoes this year compared with 106,000,000 bushels in 1931 whereas the 15 western surplus States produced 163,000,000 bushels this year against 156,000,000 bushels a year ago.

F.o.b. prices of Green Mountains at Presque Isle, Maine averaged 48 cents per 100 pounds for November compared with 44 cents for October and 46 cents for November 1931. Prices made a steady advance during November, rising from a level of 40 cents to 60 cents per 100 pounds. At Waukega, Wisconsin, f.o.b. prices averaged 46 cents per 100 pounds for November compared with 43 cents for October and 50 cents a year earlier. Prices at this point during the first week in December ranked between 45 and 50 cents per 100 pounds. At Idaho Falls, Idaho there was little change in prices from a month earlier, "f.o.b. cash trade" prices averaging 39 cents per 100 pounds. These prices, however, are approximately 20 cents per 100 pounds below those of a year earlier.

Farm prices as of November 15 averaged 34.4 cents per bushel, or the same as in mid-October compared with 45.3 cents per bushel in November 1931. As compared with the October averages there were slight advances in the North Atlantic and West North Central States but these were offset by declines in all the other regions.

Although the weekly car-lot movement of potatoes from the late surplus States has increased somewhat in recent weeks, the volume is still approximately 20 per cent less than in 1931. Although the late crop this year is only slightly smaller than that of last year the total car-lot movement for this season to date is about one-third less than a year ago. Part of this decrease in shipments is no doubt due to increased movements by trucks, and to the increased production in home gardens in deficit areas.
Milled rice prices in the Southern States continued to decline during November and early December. Prices of rough, however, remained unchanged. In California, prices of both milled and rough held fairly steady. The decline in southern prices of milled rice was due to decrease in demand outside the United States. At New Orleans fancy blue rose sold at $1.81 per 100 pounds on December 5, compared with $2.05 a month before and $2.94 a year earlier. At San Francisco, fancy California-Japan was selling at $2.05 per 100 pounds on December 5, the same as a month earlier. On December 7, 1931 the corresponding price was $3.05.

**Southern Belt**

Receipts of rough at southern mills during November amounted to 1,189,000 barrels compared with 1,408,000 for November 1931. Stocks of both rough and milled in millers' hands on December 1 totaled 2,167,000 barrels which was slightly larger than stocks a year earlier. Shipments from mills during November were considerably smaller than for November 1931, the amounts being 99,686,100 and 123,648,200 pounds respectively. Exports from southern ports during November were only about half as large as the 31,716,000 pounds exported during November 1931. Shipments to Puerto Rico from Southern States totaled about 9,000,000 pounds during November, compared with nearly 22,000,000 during October and 31,709,000 pounds for November 1931. Sales in continental United States during November, however, were larger than for November last year.

**California**

Exports of California rice during November were very small but about the same as for November last year. Shipments to Puerto Rico and Hawaii were 2,867,000 and 5,595,000 pounds respectively. The former was about the same as last year but shipments to Hawaii were much larger than the 2,963,000 pounds shipped in November 1931. It is significant to note that some relatively large sales of southern rice are being made in Hawaii. During November 2,430,000 pounds were shipped from Galveston to Hawaii. Heretofore, Hawaii has been primarily a California market.

**TOBACCO**

Markets for nearly all important types of tobacco have now been opened for the season. Prices for flue-cured and burley have shown some improvement over those of a year ago, with average advances of around 10 to 30 per cent. Prices for Virginia fire-cured and One Sucker tobacco also have been above those of a year earlier, but in all other districts the opening prices were below the low levels of 1931.

The principal reason for the more favorable showing of flue-cured prices this year was the reduction in available supplies, caused by the greatly reduced production in 1932. In the case of burley tobacco the total supply is not greatly different from the very large supply of a year ago, but quality is reported to be somewhat better. Also, increased buying by manufacturers of the new 10-cent brands of cigarettes may be a factor of some importance. The tendency for lower grades to show greater relative improvement, in comparison with 1931, which was noted earlier in the season, appears to be continuing. Reduced supplies and better quality, as compared with 1931, have contributed to the price...
improvement for both Virginia fire-cured and One Sucker tobacco. The price declines for other types have taken place in spite of reductions in available supplies. The aggregate production of all types of tobacco in the United States was indicated at 1,024,000,000 pounds on November 1 this year compared with 1,601,000,000 pounds in 1931.

Tobacco: Indicated total supply and opening prices per pound, 1931 and 1932 1/  

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<tr>
<th>Type of tobacco</th>
<th>Indicated total supply</th>
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<td></td>
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1/ Opening prices based upon averages of auction floor sales. Maryland tobacco and the cigar types are sold by other methods, and comparable prices are not available. 2/ Approximate season average to December 1. 3/ Price averages for Kentucky only.

The indicated consumption of tobacco products in 1932 still shows a decline in comparison with 1931, both in the United States and in Europe, where 75 per cent or more of the tobacco produced in this country is consumed. Recently the rate of decline appears to be slower than that earlier in the depression, especially in the case of cigarettes. Also, the tendency for high priced products to be reduced more than the cheaper ones has continued. Reports of the Commissioner of Internal Revenue indicate that for the period January to October, consumption of the different classes of products in the United States this year declined from that of 1931 as follows: Cigars, 17.0 per cent; cigarettes, 9.3 per cent; manufactured tobacco (smoking and chewing combined), 5.1 per cent; snuff, 11.1 per cent. Considering all products combined, the total decline was about 9 per cent. Reports from 13 countries in Europe indicate that total consumption for the first 8 months in 1932 declined about 3.5 per cent below that of the same period in 1931.

The quantity of unmanufactured tobacco exported since July has compared favorably with that for the same period in other years. This has been due largely to increases in the exports of flue-cured tobacco to China, where the shipments normally are of low grade. However, the increases have not been sufficient to offset any of the declines in the first half of the year. The volume of fire-cured tobacco, which ranks second in importance to flue-cured, exported in 1932 has been larger than the very small volume of 1931. From January to October Virginia fire-cured exports were 12,397,000 pounds this year compared with 9,852,000 pounds.
in 1931 and a 5-year average, 1326-1650, of 17,397,000 pounds. Exports of Kentucky-Tennessee fire-cured during the same periods were 72,785,000 pounds in 1932, 60,592,000 in 1931 and 67,500,000 for the 5-year average. Flue-cured shipments during these months were 126,856,000 pounds in 1932, 290,559,000 in 1931, and 268,684,000 for the 5-year average.

HOGS

Marked reductions in hog marketings early in November checked the decline in hog prices which had been under way since mid-July, but the advance that followed was of short duration as the seasonal increase in marketings was quickly resumed. In early December, prices were again near the lowest levels of the year. Hog slaughter thus far this season has been somewhat smaller than that of a year earlier but the decrease in numbers has been partly offset by heavier average weights. The abundant supplies and extremely low prices of corn are causing producers to feed their hogs larger than usual. This is tending to delay the movement to market somewhat, and is expected to result in a larger than usual proportion of the winter supply being marketed in January and early February.

Hog prices responded to the reduction in marketings in early November by an abrupt rise that carried the top at Chicago from $3.30 per 100 pounds on November 2, to $4.00 on November 10. Increased supplies resulted in a reaction which carried prices downward almost as sharply as they had previously advanced and prices in early December were again near the lowest levels in 35 years. The monthly average price of hogs at Chicago for November at $3.34 was the same as for May - the previous low - compared with $3.60 in October, and $4.61 in November 1931. The spread between prices of light and heavy hogs has remained practically unchanged since mid-October and has fluctuated between 18 and 21 cents, with top prices in recent weeks being paid for 140 to 160 pound weights.

Market supplies of hogs were especially small during the first 2 weeks of November and have continued relatively small since although increasing seasonally. Slaughter under Federal inspection during November, amounting to 3,776,000 head, was 4.8 per cent larger than in October but was 10.6 per cent smaller than in November 1931. Slaughterings at interior plants were about equal to those of a year earlier but slaughter at eight principal market centers was 18 per cent smaller.

The reduction of 607,000 head in federally inspected slaughter during October and November reflects in part the reduction of 7 per cent in the 1932 spring pig crop indicated by the June pig survey. The large corn crop, the high hog-corn ratio, the low prices paid for hogs, and a hope of a seasonal price improvement are causing farmers to feed their hogs to heavier weights, and this tendency seems likely to become more pronounced as the season advances. The average live weight of hogs slaughtered under Federal inspection in October was about 3 per cent greater than that of October last year, but because of higher yields, dressed weights increased 4 per cent. Both live and dressed weights in November were probably near record levels for that month since the average live weight at seven leading markets was somewhat heavier than in October and almost 7 per cent heavier than in November last year. Weights at Sioux City, Omaha, and St. Paul were much heavier than the unusually light averages at those points in November, 1931.
With corn prices declining to the lowest levels in several decades, the hog-corn price ratio continued to rise, and in November it was 15.7 compared with 15.0 in October and 15.5 in September. In November last year it was 11.9.

The movement of pork products out of storage during October was relatively small, but the marked reduction in slaughter supplies in November made it possible for packers to draw heavily on stocks during that month. Stocks of pork on November 1 were 14 per cent larger than those on November 1, 1931 but the total of 407,000,000 pounds on December 1 was 3 per cent larger than that of a year earlier and 7 per cent smaller than the 5-year December 1 average. Stocks of hams and shoulders are still considerably larger than those of last year but stocks of dry salt pork continue relatively small. Lard stocks on December 1 had dwindled to small proportions, and the total of 22,000,000 pounds on that date was 16 per cent smaller than a year earlier and 41 per cent smaller than the 5-year average for that date.

Wholesale prices of fresh pork at New York advanced considerably during the first half of November but all of the advance was lost during the last week of the month and the first week in December. Prices of cured hams declined in early November, were fairly stable during the remainder of the month, and declined in early December. Bacon prices declined slightly in every week of the month and continued to decline during the first week of December. The composite wholesale price of pork per 100 pounds at New York during November was $10.17 compared with $11.00 in October and $14.54 in November last year.

Exports of both pork and lard in October were larger than in September. Lard exports, amounting to 54,000,000 pounds, were 22 per cent larger than those in October, 1931 and were not greatly different from the 5-year average for the month. They were the largest for October since 1929. This brought the total exports of lard for the first 10 months of the year to a point only 2 per cent under the total in the corresponding period in 1931 but they were still 21 per cent smaller than the 5-year January to October average. Pork exports, amounting to only 9,000,000 pounds, were 23 per cent smaller than in October last year and 47 per cent smaller than the 5-year average for the month. Shipments of hog products from the principal ports in November were smaller than in October.

Results of the December pig survey will not be available until December 22, but there is considerable evidence that the fall pig crop is somewhat larger than the unusually large crop of last fall. Many of these pigs were farrowed rather early and probably will be ready for market next March and April, thus tending to offset some of the indicated reduction in marketings from the 1932 spring pig crop at that time. Slaughter in December probably will be much smaller than in December last year but supplies in January and early February may be relatively large compared with December because of the holding back of hogs that ordinarily would be marketed earlier.

CATTLE

Cattle prices during November continued the decline started at the end of September and the lowest levels of the depression were reached the last of November. At this low point the weekly average price of choice steers at Chicago of 6.95 was about 20 cents lower than at the low period
in May 1932. The difference between the prices of other grades of beef steers from the May to November lows was larger than with choice grades, the spread increasing as the quality declined. The weighted average price of all grades at $5.96, however, was not quite so low in November as in May. The spread between choice and common steers was very narrow for the season of the year.

Other kinds of slaughter cattle also declined and the price of common beef cows at Chicago early in December at $1.75 a hundred was probably about as low as ever reached for such cattle on the Chicago market. Prices of low cutter and cutter cows are now at levels about comparable to those for old ewes and will hardly return more than marketing costs when shipments have to be made considerable distances. Veal calves also declined to new low levels for many years. The November 15 farm price of beef cattle at $3.73 a hundred was the lowest for all months in the record going back to 1910; veal calves at $4.47 were also the lowest in this record.

Prices of stocker and feeder cattle also weakened somewhat but the decline was much less marked than for slaughter steers. From the first week in October to the end of November the average weekly price of beef steers at Chicago declined from $7.67 to $5.96, with the decline on good steers being from $7.75 to $5.97. During the same period the average weekly price of stocker and feeder steers at Chicago declined only from $4.86 to $4.37 and at Kansas City the weekly price advanced from $4.54 to $4.60. At the end of November choice light weight feeder steers and feeder steer calves sold for about as much per hundred as did fairly well finished beef cattle of similar quality. This is an unusual situation for this season of the year although not so unusual in the spring. It shows a strong demand for feeder cattle due to the large supplies and low prices of feed and the availability of funds for purchasing such cattle. With corn and hay at present levels the cost of gain in weight is quite low and less per pound than the present price of good beef steers. Usually an advance in price per pound for cattle when fed out above their cost is feeders is necessary for profitable feeding returns.

Supplies of cattle at markets were quite small during November, with receipts at 7 leading western markets 22 per cent smaller than in November 1931 and the smallest for the month in over 15 years. Inspected slaughter, however, was 2 per cent larger than in November 1931 but 13 per cent below the 5-year average. Calf slaughter was 6 per cent larger than a year earlier. While receipts of native beef steers at Chicago were only about average for the month, the proportion of choice steers was the largest and the actual number the second largest in 11 years.

The disparity in the change in numbers from November 1931 between market receipts and inspected slaughter was due in part to the much smaller shipments of stocker and feeder cattle this year and in part to increasing proportion of cattle going direct to packers. The estimated shipments of stocker and feeder cattle, inspected through markets going into the Corn Belt States in November was 23 per cent smaller than in 1931 and the second smallest in 14 years. For the 5 months July to November those shipments were 3 per cent smaller than in 1931 and the smallest in 14 years.

The supply/fed cattle will probably continue fairly large for the next 2 months but after February there may be less than the usual seasonal increase in better grades during the spring months. Supplies of butcher cattle and low grade slaughter cattle of all kinds are expected to remain small during the next few months.
Butter production declined sharply from the middle of October to the middle of November and there was a marked rise in butter prices. The seasonal peak in prices probably occurred in late November. Domestic prices rose at the same time that foreign prices were declining so that in the latter part of November the margin between domestic and foreign prices was nearly as much as the tariff. With the decline in production and rise in prices there was a heavy out-of-storage movement and stocks on December 1 were unusually low.

Production of creamery butter in October was 119,000,000 pounds or 5.7 per cent less than in October 1931. In August and September, production had been larger than in the same months of 1931. Even though production in October was decidedly less than a year earlier, the decline from September to October was only 3.8 per cent compared with the usual seasonal decline of about 12 per cent.

From mid-September to mid-October weekly reports from the Middle West indicated that butter production was larger than in 1931. By mid-November, however, these reports showed that production was nearly 15 per cent less than a year earlier. This change was due in large part to differences in the weather. In November 1931 the weather was exceptionally mild, temperatures were decidedly above normal in the upper Mississippi Valley. In November 1932, however, temperatures were generally below normal and there was considerable snow in the important butter-producing sections.

Butter prices rose sharply in November. The price of 92 score butter at New York for the week ended December 3 was 25.5 cents or 5 cents more than for the week ended October 31. The average price in November of 23.3 cents was 2.6 cents more than in October, but 7.6 cents less than a year earlier. Butter prices after reaching a peak of 26.0 cents in the last 3 days of November declined 2.8 cents in the first week of December. The seasonal peak in prices probably occurred in the last week of November. The farm price of butterfat on November 15 of 18.4 cents was 0.6 cents higher than a month earlier, but nearly 10 cents less than a year earlier.

In November, prices of butter were decidedly higher than during the inter-storage period. This stimulated the out-of-storage movement, which was more than twice as great as in November 1931, and 11 per cent greater than the 5-year average for November. Cold storage stocks on December 1 of 37,000,000 pounds were the lowest on record for that date and 5,000,000 pounds less than a year earlier.

Foreign prices declined in November, while domestic prices rose. On December 2 the price of 92 score butter at New York of 25.0 cents was 11.5 cents higher than the Copenhagen official quotation (on a gold basis) and 12.5 cents higher than New Zealand butter in London. On December 9, however, the margin between 92 score at New York and New Zealand butter in London was 11.2 cents.

Exports indicate that butter production in the Southern Hemisphere is still increasing. Shipments afloat from the Southern Hemisphere on November 17 were 68,000,000 pounds compared with 45,000,000 pounds on November 19, 1931. Shipments afloat from New Zealand were 68 per cent larger than a year earlier.
The decline in cheese prices from October to November was greater than the usual seasonal decline, and was in marked contrast to the advance in butter prices. Cheese production declined sharply from September to October and October production was decidedly less than a year earlier, but above average. The movement of cheese into consumptive channels has been light, and stocks while below average have not declined as much as butter holdings.

Cheese production in October of 36,500,000 pounds was 10.1 per cent less than the unusually large production of a year earlier, but except for 1931 was the largest on record for that month. In September, production was 8.5 per cent larger than a year earlier. The decline in production from September to October of 12 per cent was larger than the usual seasonal decline of about 8 per cent.

Production of American cheese in Wisconsin in October was 15.5 per cent less than in October 1931; production in New York State, and the South Atlantic States was also less than a year earlier. For each of the other groups of States, however, October production was larger than in the same month of 1931.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange during November did not show the same advance as butter prices. The ruling price on November 25 of 10.5 cents was only one-half cent higher than early in November. The average price in November of 10.1 cents was 0.8 cents lower than in October and 2.3 cents less than a year earlier.

Total output of cheese in October of 45,800,000 pounds was 6.8 per cent less than in October 1931. Production and imports were each decidedly less than a year earlier, and the out-of-storage movement was only slightly larger.

In November, the out-of-storage movement was 25 per cent larger than a year earlier, but about 30 per cent less than the 5-year average. Cold storage holdings of American cheese on December 1 of 62,400,000 pounds were about 3,700,000 pounds less than a year earlier and 8,000,000 pounds less than the December 1 average for the 5 preceding years. Storage stocks of American cheese on December 1 were only 11 per cent below average compared with 53 per cent below for butter.

Imports of cheese in October of 8,300,000 pounds were 12 per cent less than in October 1931.

EGGS

Market prices of eggs in November continued their usual seasonal advance until checked by heavy receipts in the latter part of the month. November receipts were the largest for that month in recent years, and tended to offset the effect of the low storage supply.

The price of special packed mid-western eggs at New York averaged 37.4 cents in November, a rise of about 7 cents from the October average. By December 6 they were 36.8 cents compared with 35.7 cents in November 1931 and 32.5 cents on December 9, 1930. The price of re-handled receipts advanced about 6 cents to an average of 30.6 cents in November. The farm price of eggs on November 15 at 26.1 cents was slightly less than a year earlier. Compared with the 1910-1914 average for corresponding months the relative farm price has risen from 81 per cent on August 15 to 95 per cent on October 15 and was unchanged on November 15.
Receipts of eggs at the four markets during November were the heaviest on record for the month, 560,000 cases, compared with 525,000 cases a year ago, and a 5-year average of 517,000 cases. October receipts were heavy for that month also. December is usually the month in which the seasonal increase of receipts begins.

United States cold storage holdings of case eggs on December 1 were 1,201,000 cases compared with 3,447,000 cases a year ago and the 5-year December 1 average of 3,546,000 cases. After January storage stocks are of minor importance as a source of supply.

CHICKENS

The farm price of chickens on November 15 was 10.1 cents a pound compared with 10.7 cents a month before and 14.4 a year before. Compared with the 1910-1914 average for corresponding months, the relative farm price declined from 111 per cent on August 15 to 94 per cent on October 15 and 93 per cent on November 15. Although having declined this ratio is still higher than for any other major farm product, with the exception of eggs.

In some measure reflecting this price situation, receipts of dressed poultry at the four markets during November were very heavy, at 71,200,000 pounds compared to 62,900,000 pounds a year ago; being exceeded only in November, 1929 with receipts of 71,900,000 pounds. A part of the increase over last year is due to an increase in the numbers of turkeys arriving at these markets.

United States cold storage stocks of frozen poultry on December 1 were 90,988,000 pounds compared with 90,000,000 pounds a year ago and a 5-year average of 90,600,000 pounds.

LAMBS

Prices of slaughter lambs showed a distinct tendency to strengthen during November. Prices advanced rather sharply during the second week of the month when receipts of all kinds of livestock were greatly reduced and the top on fed lambs at Chicago went to $6.60, an advance of nearly $1.00 from the low point in October.

This advance was soon lost but prices did not go back to the low October level and during the latter part of November another advance took place, most of which has since been held. Early in December the bulk of good and choice fed lambs at Chicago were selling from $5.50 to $6.00. Prices of feeder lambs also strengthened during November and at the end of the month were at the highest levels for the summer and fall movement.

Supplies of lambs in November continued to run below those for the corresponding period in 1931. Receipts at seven leading markets were 34 per cent smaller in November this year than last, but inspected slaughter was only 8 per cent smaller, and 11 per cent larger than the 5-year November average. Shipments of feeder lambs from or through markets into the Corn Belt States were relatively larger in November than in any other
month during the present lamb marketing year. While considerably smaller than the heavy shipments in November 1931 they were but little different from the 5-year (1926-1930) average November shipments. They were the second largest proportion of the total 5 months shipments, July to November, in 14 years. Total shipments for the 5 months this year were 49 per cent smaller than in 1931 and about 17 per cent smaller than in 1921, when they were the smallest for the years 1919 to 1931.

The number of lambs on feed for market about December 1 was apparently much smaller than a year earlier. Most of the decrease was in the Corn Belt States and Texas, with the total number in the Western States probably not much different from a year earlier. A relatively heavy movement of feeder lambs in late October and November into the feeding areas of Colorado brought the indicated total number to be fed in that State above what seemed probable a month earlier. The decrease from last year will be from 10 to 15 per cent. A decrease, rather than an increase, in feeding in the States west of the Continental Divide seemed probable about December 1, but the decrease in that area and Colorado was probably about offset by increases in Wyoming and Montana.

Weather has been generally favorable for lamb feeding in all areas and good gains are reported. This, together with fairly heavy average weights of feeder lambs points to a shorter than average feeding period, with the bulk of the Corn Belt lambs moved by the end of January.

WOOL

Wool prices at Boston in early December averaged about 6 per cent below October 8, the high point since April, but holders were resisting further declines. Fine (64s, 70s, 80s) strictly combing territory wool scoured basis was 44-46 cents per pound for the week of December 10 compared with 47-49 cents one month earlier. Territory 56s were 38-40 cents per pound compared with 40-42 cents the second week in November. Ohio and similar grease wools ranged from 14½ to 20½ cents for the week of December 10.

Prices at the opening of the London wool sales in late November were unchanged, to 5 per cent below those of October and small declines were reported during the course of the sales in terms of British currency. In terms of gold, prices varied with the value of the pound sterling. In Australian centers prices have been rather firm recently.

Consumption of combing and clothing wool declined 13 per cent from September to October although consumption of carpet wool increased and machinery activity in most sections of the wool industry increased in October. At the October level consumption of combing and clothing wool was still nearly three times as high as at the low point of May, and was almost the same as in October 1931.

The improved demand from continental Europe in recent months aided the English wool manufacturing industry. Employment in November had improved considerably, particularly in the combing section. Market activity for tops, noils and raw wool declined in continental European countries in October, but improved sales of yarn and cloth were maintained and mill activity showed further improvement in most centers.
Receipts of domestic wool at Boston and imports so far this year have been less than last, and stocks of wool in dealers hands are apparently less than last year. Apparent supplies in five Southern Hemisphere countries on November 1 were about 1 per cent larger than a year earlier. Production in 10 countries that produce about four-fifths of the world clip outside Russia and China is estimated at 2,793,000,000 pounds in 1932, a decrease of 14,000,000 pounds from the record clip of 1931.

COTTON

Cotton textile mill activity in the United States and most foreign countries during November was maintained at the improved levels reached in the early fall, judging from the information now available. In the domestic industry cotton consumption was the highest for any month since April 1930 despite the low level of cotton textile sales. Textile sales in many foreign countries have also been running below output. Exports of American cotton continued rather high during November and for the first 4 months of the season were about 12 per cent greater than in the like period last season. Cotton prices made a substantial advance during the first 10 days of November, but declined from November 11 to December 5 in keeping with the decline in the stock market and improved crop prospects. Since December 5 prices have strengthened, again in association with the stock market.

The average price of Middling 7/8 inch cotton in the 10 designated markets advanced from 5.90 cents per pound to 6.52 cents during the first part of November but by the end of the month had declined to 5.73 cents and on December 5 averaged 5.45 cents per pound, a new low for the current season, yet still 0.69 cents above the price reached last June. Since December 5 prices have fluctuated somewhat at slightly higher levels and on December 13 the 10 markets averaged 5.71 cents per pound and compared with 5.68 cents a year ago. Prices in the Liverpool market during recent weeks have been influenced by the fluctuations of the British exchange rate and the difference between the prices of American Middling in Liverpool (converted to cents per pound) and the 10 spot markets have fluctuated rather widely. The price parity between American and Indian cotton in Liverpool continued relatively stable.

Domestic consumption during November amounted to 864,000 bales compared with 502,000 bales in October, 425,000 in November 1931, and was the highest for any month since April 1930. This brought the total consumption for the season to the end of November to 1,900,000 bales, an increase of 125,000 bales or 7 per cent over the same period last season, and 205,000 bales or 13 per cent over the first 4 months of 1930-31. The sustained activity in domestic mills during November as in October was on the basis of the large orders received early in the fall since sales during the month were again below production although somewhat higher than in October.

In Europe as a whole cotton spinning mills during November apparently continued to operate at the improved levels of the previous 2 months despite the difficulty of disposing of the output or of maintaining their unfilled orders. The French industry is in a fairly good condition with its production ahead for many weeks. In most countries, however, sales are thought to have barely equaled and in many cases dropped below the production of the month. As compared with a year ago the consumption of American cotton in Europe during
November was probably somewhat greater. The cotton textile industry in the Orient as a whole continued to operate at high levels during October and early November although activity in China was still much below normal in the Japanese section of the industry. Large amounts of American cotton are still being consumed in Japan where the general situation of the cotton industry at the beginning of November was reported as good. Spinners continued to make good profits on yarn sales and weavers were able to maintain their high rate of activity due to the unusually strong demand for Japanese piece goods.

Domestic exports during November amounted to about 1,012,000 running bales which is 5 per cent less than the 1,071,000 bales exported during November 1931 but about 165,000 bales larger than in November 1930, according to data from the Bureau of the Census. The Orient continues to take smaller amounts than a year ago although in view of the large stocks of American cotton there and the increased production in India and China, American exports to the Orient have been remarkably well maintained. For the season August 1, to November 30 total exports of American cotton amounted to 3,206,000 bales compared with 2,854,000 bales during the first 4 months of last season and 3,181,000 bales during the corresponding period in 1930-31.

The December 1 estimate of domestic production indicated a crop of 18,727,000 bales of 478 pounds net or an increase over the previous month of 750,000 bales but 4,369,000 bales or 26 per cent less than the 1931 production and the smallest since the 1928 crop. The increase over the November 1 estimate was due in part to larger yields per acre being realized than had previously been expected in the major States, and in part to an increase in the estimated acreage in nearly all States. The December estimate placed the acreage harvested at 37,680,000 which is almost 1,000,000 acres more than the previous estimate; it is 7.6 per cent less than the 1931 acreage and 20.2 per cent below the record acreage of 1928.

Cotton production in foreign countries during the 1932-33 season has been provisionally estimated at about 11,000,000 bales of 478 pounds, compared with 10,400,000 bales in 1931-32 and 11,500,000 bales in 1930-31. The foreign production estimate plus the United States crop gives an indicated world total of 24,200,000 bales. Due to the small United States crop this estimate is 3,300,000 bales less than last season and is the smallest world crop since 1927-28. The present world estimate is 1,900,000 bales less than the 5-year average production from 1927-28 to 1931-32; is approximately 300,000 bales less than the 5-year average disappearance, and about the same as the 1931-32 disappearance.
### Business Statistics Relating to Domestic Demand

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<th>Year</th>
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#### Industrial Surveys:
- Production:
- Retail:
- At 1910:
- In:
- In:
- Est:

#### Production Rolls:
- July: 1923-1925 = 100
- July: 1926 = 100

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#### Dec. 1932:
- Jan.: 71
- Feb.: 70
- Mar.: 67
- Apr.: 64
- May.: 59
- June: 59
- July: 58
- Aug.: 60
- Sept.: 68
- Oct.: 62
- Nov.: 54

#### Notes:
- Federal Reserve Board indexes, adjusted for seasonal variation.
- U.S.D.A. August 1929-July 1931 = 100.
- Weighted average of indexes for United Kingdom, Canada, France, Italy, Germany, China, and the Netherlands.
- The American.
- Average of daily rates on commercial paper in New York City.
- Dow-Jones index is based on daily average closing prices of 30 stocks.