Horses and mules are now trying to pull the cart of farm prices out of the dump. They are the only products of the farm which are now bringing better prices than a year ago. In February horses averaged $62 and mules $67 per head, compared with $58 and $65 a year ago. Here we have what appears to be a unique situation with prices of a farm product advancing in a depression because of an inelastic supply condition. The number of horses on farms in the United States has declined sharply since 1918 and in all probability will continue this trend for several years. The price of horses, however, after declining from 1918 to 1932, turned upward in 1933.

Sheep and lamb numbers appear to have passed the peak of their production cycle and may be at the bottom of their price cycle. Lamb prices averaged $4.15 per hundred in February, which is lower than a year ago but higher than in recent months. The outlook for the next few years is that horses, mules, sheep and lambs will decrease in numbers and that prices of these livestock will tend upward.

Market prices of farm products for the week ended March 4 averaged a little lower than for the week ended February 18. During the past 10 days prices have not been quoted on the central grain and cotton exchanges. Livestock markets have continued to operate and prices have advanced a little since March 4.

The index of prices paid to producers of farm products in mid-February established a new low at 49 per cent of the 1910-1914 average compared with 51 per cent in January and 60 per cent in February 1932. Prices of corn, apples, cottonseed and all livestock, except milk cows, advanced in price from mid-January to mid-February. These advances were, however, more than offset by price declines for most crops and for dairy and poultry products. The marked decline in egg prices of nearly 50 per cent was considerably in excess of the usual seasonal decline. Farm prices of eggs, barley, and hay in February were at the lowest level in the 23 years for which these farm price data are available.

The exchange value of farm products for the goods farmers buy declined to the record low of 47 per cent of the pre-war average in mid-February. This was 1 per cent less than in January and 10 per cent less than in February 1932.

WHOLESALE COMMODITY PRICES

The general level of wholesale prices in the United States has continued the downward trend from last September. The Bureau of Labor Statistics index which for September was 95 per cent of the 1910-1914 average, declined to 89 for January and a new post-war low of 37 for the week ended March 4. Market prices of farm products for the week ended March 4 averaged a little
higher than the low weekly average of a month previous. Prices of building materials were also slightly higher for that week than a month earlier, whereas all of the other groups of commodities declined a little in price during the month. On the whole, however, prices of all groups were comparatively stable during February. Only limited market price quotations are available since March 3 on account of market and banking holidays.

Wholesale prices in England, according to Crump's index, averaged 60.5 per cent of the 1926 average for February (currency basis) compared with 61.2 for January and 65.2 per cent for February 1932. Wholesale prices in Italy, according to the Milan Chamber of Commerce Index, averaged about 44.8 per cent of the 1926 average for February compared with 45.3 for January and 49.5 for February 1932.

BUSINESS CONDITIONS

The general level of business activity in the United States receded somewhat in January and the downward trend apparently continued through February. However, some lines of business activity such as the production of automobiles and cotton cloth improved a little during the latter part of February. The recent banking holidays and restriction on the flow of money and credit for commercial purposes has retarded business.

The Federal Reserve Board index of industrial production (adjusted for seasonal) rose from the low point of 58 per cent of the 1923-1925 average last July to 66 in September. The index was unchanged during the last 4 months of 1932, except for a temporary drop of one point in November. This 4-month period of stability was followed by a two point decline to 64 per cent in January, the last month for which these data are available. Factory payrolls remained at 40 per cent of the 1923-1925 average in January, whereas factory employment declined to 59 per cent compared with 61 in December and 58 at the low point last summer. Preliminary data indicates that employment and payrolls declined in February.

Financial conditions have held the spotlight during the last few weeks. "Money in circulation" began to increase sharply about the first of January and continued until March 4. Monetary gold stocks, which had been increasing, began to decline about mid-January because of both foreign and domestic withdrawals. The Michigan bank holiday was soon followed by events which culminated in the Presidential proclamation of a national bank holiday beginning March 6 and the enactment of emergency bank legislation on March 9.

The rapid withdrawal of bank deposits and the increase in earmarking and exports of gold in late February were associated with increased purchases of United States securities by the Federal Reserve banks. Member banks reduced their loans and investments in an effort to meet deposit withdrawals. The unprecedented withdrawal of deposits and reduction in bank reserves was accompanied by a rather abrupt rise in interest rates in central money markets and an increase from 2 3/4 to 3 1/2 per cent in the rediscount rate of the New York Federal Reserve Bank.

Stock and bond prices averaged considerably lower in February than in January; the average of industrial stock prices being the lowest since last July. Security prices, however, advanced just prior to March 4, after which the large security and commodity exchanges were closed temporarily.
offerings of non-Government securities in February were the smallest on record since 1914.

Building contracts awarded continued to decline during January. The F. W. Dodge Corporation index of all classes of construction (adjusted for seasonal) declined to 22 per cent of the 1923-1925 average for January. The index of residential building contracts awarded in January amounted to only 3 per cent (adjusted for seasonal) compared with the previous low of 11 per cent respectively in January 1919.

WHEAT

Wheat prices showed little change during February except for a slight rise early in the month. Trading in United States futures markets was suspended after March 3 because of the bank holiday and very little cash grain has been sold since that date (through March 14). The few sales which have been made, however, were at higher levels than those prevailing just before the bank holiday. Prices at Liverpool advanced about 2 cents per bushel and at Winnipeg about 4 cents from March 3 to March 11. While private estimates of farm stocks in the United States as of March 1 averaged about 40,000,000 bushels lower than the official estimate of last year, the carry-over as of July 1 does not seem likely to be significantly smaller than last year. With May futures as high at Chicago as Liverpool, there is little to suggest that prices in the United States during the next few weeks will be sustained at much higher levels than existed at the beginning of March except in the event of the development of distinctly bullish crop news, or of marked improvement in the business situation.

The United States average farm price as of February 15 was 32.3 cents per bushel compared with 32.9 cents a month previous and 44.0 cents per bushel in February 1932. Prices at the principal markets similarly averaged practically the same in February as in January, thus No. 2 Hard Winter at Kansas City averaged 43.6 cents in January and 43.7 in February, while most other representative wheats were a fraction of a cent lower in February than in January. The weighted average price of all classes and grades was 47.9 cents in February compared with 48.4 cents per bushel in January.

In the first 2 days of March there was little change in prices from February levels, though on the third they closed about 1 to 2 cents per bushel higher than on the previous day. Scattering quotations which have been available since the bank holiday have been higher. Thus, No. 2 Hard Winter at Kansas City, which was quoted at 43 cents per bushel on the third was 51 cents on March 5 and 48 ½ cents on the 10th.

At Winnipeg, prices advanced from a close for May futures at 47 ½ cents (Canadian currency) on March 2 to 52 ½ on the 10th, and then declined to 40-5/6 on March 14. The 47 ½ cents per bushel Canadian on the second was the equivalent of 32.8 cents in United States currency. At Liverpool, the price of May futures on the third was equal to 47.3 cents in United States currency and 48-3/8 on March 13, at the current exchange rate. On March 3 Chicago May futures closed at 48 ½ cents per bushel. May futures at Chicago have been practically at the same level as Liverpool ever since early January, the result largely of unfavorable conditions of the winter wheat crop indicating that the 1933 crop may not add to our surplus available for export.
World shipments of wheat continued during February at a level about as high as that which prevailed in January. This indicates a continuation of somewhat better demand for wheat by importing countries than prevailed during the first 6 months of the current crop season. During the 10 weeks since the first of January, total world shipments have averaged 15,443,000 bushels compared with an average of 15,766,000 bushels for the corresponding period of last year. From July to December of the current season shipments averaged 10,812,000 bushels weekly compared with 14,445,000 during the corresponding 6 months of 1931. The surplus available for export or carry-over in the principal exporting countries continues to be about the same as a year ago, and indicates that supplies will continue burdensome throughout the remainder of the season. There is, consequently, little prospect of any significant improvement of prices in the United States through changes in the world situation. The effects of the poor condition of winter wheat seem to have been largely, if not entirely, discounted, as is evidenced by the high level of United States prices as compared with Liverpool when both are converted to common units at current exchange rates. Consequently, if there is to be improvement in wheat prices in the near future it seems more likely to occur through changes in our own financial and business situation or through relief measures for wheat growers than through any change in the world wheat situation.

CORN

Cash corn prices were at practically the same levels in February as in January, and through March 3 there had been no significant change in prices. Futures markets were closed and there were few cash sales from March 3 to March 14 due to the bank holiday, but some quotations indicated slightly higher prices during the period than prevailed on the 3rd. Due to large supplies available for shipment to market if prices warrant, there is little prospect for any marked improvement in corn prices in the next few weeks, unless there is a marked improvement in the business situation generally.

The United States average farm price as of mid-February was 19.4 cents per bushel compared with 19.1 cents in January and 32.4 cents in February, 1932. At Chicago No. 3 Yellow averaged 23.1 cents per bushel in February compared with 23.6 cents in January. For the week ended March 4, however, prices were slightly lower, averaging 21.9 cents.

Receipts continue small. Average receipts at 14 markets amounted to 13,100,000 bushels in February compared with 12,700,000 in January, and 14,100,000 bushels in February of last year. The average receipts during February of the past 5 years have been 28,500,000 bushels. Commercial stocks increased slightly during February to 36,900,000 bushels on March 4 compared with 33,900,000 on February 4. A year earlier commercial stocks amounted to 20,200,000, while the average stocks of the past 5 years are 30,000,000 bushels. Wet process grindings in February declined from the January level, amounting to 5,000,000 bushels in February compared with 5,757,000 in January and 5,344,000 in February of last year. The first 4 months of the crop year wet process grindings amounted to 21,316,000 bushels compared with 22,451,000 during the corresponding period of last year and an average of 26,718,000 during the first 4 months of the past five seasons. The corn market during the next few weeks is likely to continue under the influence of a low level of demand and of plentiful supplies available for shipment to market.
Prices of old potatoes in central markets have been somewhat irregular during recent weeks. They advanced about 8 cents per 100 pounds during the middle of February but lost most of the gain by the first week in March. New York prices advanced from $1.06 to $1.14 per 100 pounds during the last 3 weeks of February, but dropped to $1.10 during the first week of March compared with $1.16 for the corresponding week last year. At Chicago old potato prices advanced from 69 to 78 cents per 100 pounds during February but were back to 71 cents during the first week of March compared with 92 cents a year earlier. Prices at both markets have strengthened slightly since the banking holiday became effective.

There has been very little change in potato prices at Presque Isle, Maine during the past month. Sacked Green Mountains are quoted at 45 cents per 100 pounds f.o.b. shipping points. At Rochester, New York f.o.b. prices of round white potatoes averaged 60 cents sacked per 100 pounds during the first week of March or slightly lower than a month ago. F.o.b. prices at Wausa, Wisconsin averaged 49 cents sacked per 100 pounds. Russetts at Idaho Falls were priced at 32 cents per 100 pounds f.o.b. cash track or about the same as last month.

Farm prices of potatoes on February 15 averaged 37 cents per bushel compared with 37.4 cents in mid-January and 44.8 cents in mid-February 1932.

Potatoes have moved rather freely during recent weeks, the total carlot shipment exceeding 3,400 cars during the week ended March 4. Also heavy truck receipts at Chicago have been reported during recent weeks. The rail and boat movement this season to date totals 90,529 cars compared with 116,591 cars for the corresponding period a year ago. A substantial part of the increased movement is going into seed channels as the demand for seed stock in the Northern States has been active.

The volume of new potatoes moving out of Florida has declined in recent weeks. Prices of the early Bliss Triumphs at New York have ranged from $3.00 to $3.25 per 100 pounds. F.o.b. prices at southern Florida shipping points declined from $2.50 to $2.20 per 100 pounds during the last half of February. The deal in south Florida was completed early in March but that in the north Florida area and Texas lower Rio Grande valley is expected to get started immediately. The acreage in these areas has been reduced by 21 per cent but with average yields it is likely that production will equal or exceed that of 1932. Reports to date indicate that blight is developing rapidly in Florida. It is estimated that the stocks of old potatoes on January 1 were almost as great as they were a year ago and it is probable that the old stocks will offer as severe competition to the new crop as they did last year.

RICE

Rice prices in the Southern States averaged lower during February than for January. In California, prices of milled rice advanced and rough rice held steady during February. At New Orleans fancy blue rose averaged $1.80 per 100 pounds for February compared with $1.89 for January. The February 1932 average was $2.62 per 100 pounds. At San Francisco fancy California-Japan averaged $2.27 per 100 pounds for February compared with $2.28 for January and $2.63 for February 1932. Since the beginning of the bank holiday milled rice prices at southern mills have advanced 12.5 to 25 cents per 100 pounds.
Southern Belt — Receipts of rough rice at southern mills during February amounted to 747,000 barrels, about the same as for February 1932. Stocks of both rough and milled in millers' hands on March 1, 1933 totaled 2,036,000 barrels compared with 1,822,000 a year earlier. Stocks of rough rice in farmers' hands on March 1 were reported to be about the same as a year earlier. Shipments from mills during February were smaller than for February 1932. For the first 7 months of the current crop year shipments totaled 572,000,000 compared with 624,000,000 pounds for the corresponding period last year. Exports from southern ports during February were about 5,000,000 pounds smaller than the 15,060,000 pounds exported during February 1932. Exports this crop year to date have been 35,000,000 pounds below those of the corresponding period last year. Shipments to Puerto Rico from Southern States were considerably smaller during February than for either January or February 1932. Shipments for the first 7 months, however, were larger this year. Sales in continental United States during February, however, were slightly larger than for February 1932.

California — Exports of California rice during February totaled 5,000 pounds compared with 1,022,000 pounds for February 1932. Shipments to Puerto Rico and Hawaii during January were 3,003,000 and 5,578,000 pounds, respectively, each of which was smaller than the February 1932 shipment.

TOBACCO

Prices for the principal types of tobacco sold at auction floor markets during February were lower than in January. Kentucky State reports showed an average price for burley of 8.2 cents per pound compared with 12.0 cents for January; eastern fire-cured (type 22), 5.3 cents, compared with 5.0 cents for January; western fire-cured (type 23), 5.6 cents compared with 4.2 for January; and Henderson fire-cured (type 24), 2.8 cents compared with 3.3 for January. Prices for Virginia fire-cured averaged 7.6 cents compared with 8.9 for January, according to State reports. In the dark air-cured district the Kentucky report showed an average price for one-sucker of 4.4 cents compared with 5.0 for January and for Green River, an average of 3.5 cents compared with 3.4 for January.

The flue-cured markets closed early in February with a general seasonal average of around 11.5 cents per pound, according to State reports. This compared with 8.5 cents for the 1931 crop and 12.0 cents for the 1930 crop. Early unofficial reports from the cigar districts indicate prices for most types to be around 10 per cent or more below the low prices for the 1931 crop, notwithstanding the fact that total production in 1932 was approximately 28 per cent less than in 1931.

Internal Revenue reports on tobacco products withdrawn for consumption during January showed reductions from January 1932 for all classes including cigarettes, cigars, manufactured tobacco (smoking and chewing combined) and snuff. The decline of 5.8 per cent in cigarettes occurred in spite of the reduction in wholesale prices of leading brands of cigarettes of approximately 12.6 per cent which was put into effect January 5, 1933. As indicated in this review a month ago, the wholesale price of these brands was reduced again early in February making a total reduction of around 20 per cent.

Total tobacco exports of 28,600,000 for January were 11 per cent less than the unusually small exports for December 1932 and 44 per cent below the 5-year January average. As in December, the principal part of this
reduced volume of exports was flue-cured tobacco, which in recent years has represented more than 70 per cent of the total mid-winter movement. The exports of flue-cured for January were 21,300,000 pounds compared with 22,500,000 for December; Kentucky-Tennessee fire-cured, 2,900,000 compared with 3,200,000 for December; Virginia fire-cured, 792,000 compared with 513,000 for December; Maryland and eastern Ohio, 469,000 compared with 1,062,000 for December. The movement of minor export types showed little change from the level of other recent months.

HOGS

Hog prices at the end of February were only slightly higher than at the end of January. A sharp rise in early February as a result of stormy weather temporarily restricting shipments, was followed by a moderate reaction but prices during the last half of the month held rather steady, with Chicago prices averaging about $3.50 per 100 pounds.

Because of the uncertainties caused by the banking situation, prices fluctuated very erratically during the first 2 weeks of March. A top of $4.40 was recorded at Chicago on March 7 which was the highest price at that market since early in October. The average of $3.84 for the week ended March 11 also was the highest since early September, but it was only 17 cents higher than for the second week in February. The average price of hogs at Chicago in February was $3.46 per 100 pounds compared with $3.12 in January and $3.99 in February 1932.

Hog slaughter under Federal inspection during February was the smallest for the month since 1927 and the third smallest for the month since 1922. The total of 3,647,000 head was 22.4 per cent smaller than in January and 20.6 per cent smaller than in February last year. Slaughter during the first 5 months of the present hog marketing year, totalling 20,313,000 head, was 2,660,000 head, or 12 per cent smaller than in the corresponding months of 1931-32. The decrease in federally inspected slaughter this winter is largely a reflection of the reduction in the 1932 spring pig crop, although in part it is due to a considerable increase in farm and retail slaughter in most sections of the country.

Many plain qualified hogs have been marketed in recent weeks. This is explained partly by the fact that an epidemic of hog flu retarded the growth of many hogs. Then, too, less protein concentrates have been fed this winter and some farmers had to dispose of unfinished hogs in late February to obtain cash.

The ratio of hog prices to corn prices has been relatively high since last September and it increased again in February. Based on farm prices as of the 15th of February this ratio in the Corn Belt States was 19.1 compared with 16.6 a month earlier and 11.2 in February last year. This high ratio has resulted in a relatively strong demand for stock pigs.

Wholesale prices of fresh pork fluctuated widely in February and early March. They advanced during the first 3 weeks, declined during the fourth week and rose again during the first half of March. Cured pork prices were steady; hams and lard prices were about steady. The composite wholesale price of hog products at New York averaged $9.48 per 100 pounds in February compared with $9.32 in January and $11.52 in February, 1932.
Because of the reduction in hog slaughter and the conservative policy of packers in storing hog products this winter, relatively small amounts of pork and lard have been stored, and the movement of these products into consumptive channels has declined relatively less than production. Stocks of pork on March 1 amounting to 610,000,000 pounds were 25 per cent smaller than those of a year earlier and 29 per cent smaller than the 5-year average holdings for that date. Lard stocks amounting to 59,000,000 pounds, were 33 per cent smaller than those on March 1, 1932 and 49 per cent smaller than the 5-year March 1 average. This reduction in storage stocks will offset in part the relatively large slaughter supplies of hogs indicated for the summer trade.

The foreign outlet for United States hog products continue relatively unfavorable although exports during January were comparatively large. Total pork exports for the month were 12 per cent larger than in January last year. Lard exports, amounting to 79,000,000 pounds, were 31 per cent larger than in January 1932 and were the largest for any month since December 1929. Lard exports to Germany were the largest for any month in 8 years but a part of this increase was no doubt in anticipation of the rise in import duties which became effective February 15. The temporary agreements relative to the restriction of imports of pork into England are being continued with a few modifications, and restriction of a more permanent nature probably will be put into effect later in the year. Shipments of pork and lard from the principal United States ports for the 4 weeks ended February 28 were somewhat smaller than those for the 4 weeks ended January 28.

Recently some hogs from last fall's pig crop have been included in the receipts but such hogs are not expected in volume at the market centers until after the middle of April. Hog slaughter in March and April will probably be somewhat smaller than in those months last year as the bulk of the receipts in late winter and early spring come from the Western Corn Belt where the pig crop was very small last spring.

In view of the moderate increase in the 1932 fall pig crop, as shown by the survey of last December, federally inspected hog slaughter from May to September is not expected to be greatly different from the relatively large slaughter during that period last year. Marketings are expected to be heavier in June and July, this year compared with a year earlier, and relatively lower in August and September.

CATTLE

Although the price movements of different classes and grades of slaughter cattle varied considerably during February, prices at the end of the month were not greatly different from those at the end of January. The average weekly price of each grade of beef steers except choice, for the week ended March 4 were a little higher than for the week ended February 4, and the weekly average of all grades was $4.81 for the former week and $4.76 for the latter. The monthly average of all grades, except choice, was higher in February than in January, but the February average of all grades was $4.80 and the January average was $4.95, compared with $5.21 for February 1932.
The price of choice steers reached a new low level in the week ended February 10, when the average weekly price was 3.69, but recovered somewhat during the next 2 weeks. Common and medium steers advanced in price during the first half of February, but declined during the second half. Prices of most other kinds of slaughter cattle showed little change during the month. The better grades of light heifers, however, strengthened during the latter part of the month. Prices of stocker and feeder steers also changed little during the month.

The price discrimination against heavy weight steers continued during February, but that against medium weights, especially of the better grades, tended to disappear. While yearling cattle still continued to bring the top prices, well finished cattle up to 1,350 pounds found ready outlet at prices more nearly in line with yearlings than had been the case since late last fall.

Slaughter supplies of cattle in February were more nearly average than in January or December. Inspected slaughter was 2 per cent less than February, 1932 and 3 per cent less than the 5-year February average. Receipts of cattle at seven leading markets, however, were 12 per cent less than in February, 1932 and 15 per cent less than the 5-year average. This disparity between changes in receipts and changes in slaughter points to a continuation of the tendency for increasing proportions of cattle to move direct to packers and not to go through stockyards markets.

Although receipts of cattle at Chicago in February were the second smallest in over 40 years, and supplies of beef steers the smallest in 12 years, the supplies of choice steers and of good and choice combined were the largest in 6 years and the third largest in 12 years. The supply of choice steers in February, however, was only about one-half as large as in January and one-third as large as in December. As yet there are no indications of any tendency for the proportion of cows and heifers slaughtered to increase. In January, the last month for which figures are available, the proportion of cows and heifers in inspected slaughter was smaller than in January 1932, which was the previous record low for the month of January.

Although returns from fed cattle marketed during the winter months of 1932-33 were less profitable than during the preceding winter, the shipments of stocker and feeder cattle from stockyards to the country were considerably larger. During the 3-month period, December 1932 to February 1933, such shipments from 12 markets into 7 States were 21 per cent larger than for the same months a year earlier. This increased movement apparently reflects the large supply and low price of corn and the availability of funds from the Regional Agricultural Credit Corporation for the purchase of such cattle.

Supplies of slaughter cattle during March and April are expected to continue moderate, with fed steers continuing to make up an unusually large proportion of the supply.

BUTTER

Butter production is at a relatively high level for this season of the year, the movement into consumptive channels has been relatively large, and stocks are small. Butter prices declined sharply in January but
were relatively steady in February. The number of milk cows on farms January 1 was 2.7 per cent larger than a year earlier.

Butter production in January of 124,500,000 pounds was 2.3 per cent larger than the record January production in 1931. Production in the North Central and North Atlantic States was larger than a year earlier, while in each of the other groups of States production was decidedly lower. January was the first month since September 1932, in which production was larger than in the corresponding month of the preceding year. Creamery butter production in January was 4.8 per cent larger than in December compared with the average seasonal increase of about 10 per cent.

In February, the price of 92-score butter at New York was 18.7 cents, 1.1 cents less than in January, and 3.3 cents less than a year earlier. There is usually relatively little seasonal variation in prices from January to February. The banking holiday has tended to curtail receipts of butter. At the four principal markets, receipts for the week of March 10, were 10 per cent less than in the preceding week. As a result, the price of 92-score butter at New York recovered to 26.0 cents per pound by March 10.

The farm price of butterfat on February 15 of 15.8 cents was 3.1 cents less than a month earlier and 4.0 cents less than a year earlier. From January to February there was little change in the farm prices of feed grains. The farm price of butterfat on February 15 in relation to feed grains was the lowest since last October but high when compared with other years.

During the coming months pasture conditions will be an important factor affecting milk production. During each of the last 3 years pastures have been unusually poor.

On January 1, the number of milk cows on farms was estimated at 25,140,000 or 2.7 per cent more than a year earlier. The increase during 1932 was not as great as in 1931 when numbers increased 3.8 per cent. Numbers of milk cows increased in all sections of the country, but the smallest increases were in the Western and North Atlantic States.

The number of heifers 1 to 2 years old being kept for milk cows on January 1, was 1 per cent less than a year earlier and 3 per cent less than 2 years earlier. On January 1, the number of heifers per 100 cows was the lowest since 1927 and below the 10-year average, 1921-1930.

The trade output of creamery butter in January of 128,300,000 pounds was 2.5 per cent larger than a year earlier. Retail prices, however, were less so that consumer expenditures were about 15 per cent less than in January 1931.

Cold storage holdings of creamery butter on March 1 of 11,300,000 pounds were 3,700,000 pounds less than on March 1, 1932, and also smaller than in other recent years.
Butter prices in London in English currency declined during February and early March. Prices of New Zealand butter declined 8 per cent, and prices of Danish butter declined 10 per cent. With no exchange rates quoted it was not possible to determine the margin between these domestic and foreign prices.

CHEESE

Cheese production in January was decidedly larger than a year earlier, the increase in trade output, however, was relatively small. Cheese prices in Wisconsin in February were lower than in January and lower than in the summer of 1932. Cold storage holdings of cheese on March 1 were somewhat lower than on March 1, 1932, and about 5 per cent less than the 5-year average for March 1.

Cheese production in January of 31,400,000 pounds was 17.4 per cent larger than the small production in January 1932, but about the same as in January 1930. The increase in production from December to January was less than the average seasonal increase.

Production of American cheese in Wisconsin in January was 14 per cent larger than a year earlier. New York State production was more than twice as great as in January 1932, indicating a large amount of milk in excess of fluid milk requirements. The only groups of States in which production was less than a year earlier were the South Atlantic and East North Central, exclusive of Wisconsin.

The ruling price of cheese on the Wisconsin Cheese Exchange in February was 8.0 cents, 1.5 cents lower than in January and 0.6 cent lower than the low point last June.

Even though there was a marked increase in production in January, the trade output of cheese of 39,900,000 pounds was only 5 per cent larger than in January 1932. The changes in prices and trade output indicate that consumer expenditures for cheese in January were 8 per cent less than a year earlier.

Cold storage holdings of American cheese on March 1 of 47,000,000 pounds were about the same as a year previous, and compare with the 5-year average March 1 holdings of 49,700,000 pounds.

Imports of cheese in January of 3,100,000 pounds, were about 17 per cent less than in January 1932, and the smallest for January since 1922.

EGGS

Egg prices declined seasonally during February. The cold wave reduced receipts and may have had a tendency to reduce the earlier prospect for a heavy spring production. Consumption is at a low level.

The price of special packed mid-western eggs at New York on March 9 was 16-7/8 cents per dozen. The average for February was 15.2 cents compared with 25.1 cents in January and 19.4 cents in February 1932. The price of rehandled receipts declined correspondingly to 13.5 cents; 3.3 cents below the price a year earlier. Farm prices dropped from 21.4 cents on January 15 to 11.0 cents on February 15 compared with 12.8 cents a year ago.
Compared with the 1910-1914 average for corresponding months the relative price has declined from 22 per cent on December 15 to 77 per cent on January 15 and 46 per cent on February 15. While this sharp drop reflects to some extent the tendency for the usual seasonal decline to begin earlier and to reach the spring price level sooner, yet the main factor is the prospect of increased production over last year, also, consumption, which was reduced by the high winter prices, is still low, being about 24 per cent less than a year ago.

Receipts of eggs at the four markets in February were 938,000 cases compared with 1,022,000 cases a year ago and a 5-year average of 1,058,000 cases. January receipts were the highest on record for the month. The same trend continued into early February when the cold wave checked production. What the effect this setback will have on spring production is uncertain.

For the country as a whole it was estimated that there were 2.5 per cent more laying birds in farm flocks on February 1 than a year before. Pacific Coast flocks were reduced somewhat from last year whereas in the Midwest numbers were increased rather sharply.

Reports from commercial hatcheries indicate a reduction of 33 per cent from last year in the number of salable chicks hatched in January and a reduction of 13 per cent in deliveries ordered for February or later. Part of the reduction is explained by the high January hatchings in 1932 but farm hatchings and the inability of farmers to finance the purchase of commercially hatched chicks are of importance.

Cold storage holdings of case eggs on March 1 were 162,000 cases compared with 256,000 cases a year ago and a 5-year average of 165,000 cases. The into-storage season has started early this year, and eggs not sold for immediate consumption are going into storage. The low prices in the fall and winter of 1930 and of 1931 very largely reflected excessive stocks accumulated during the preceding springs because of low consumption. In 1932 the reverse was the case. Storage stocks reached a peak of 6,431,000 cases by August 1 compared with an average of about 10,000,000 cases, and prices have been relatively high this past fall and winter.

CHICKENS

The farm price of chickens on February 15 was 9.4 cents a pound compared with 9.3 a month before and 12.6 a year before. Compared with the 1910-1914 average for corresponding months, the relative farm price, which has steadily declined from 101 per cent on August 15, was 85 per cent on February 15, a decline of 1 per cent since January 15. The usual seasonal movement of the farm price of chickens is a steady rise from January until mid-spring.

Receipts of dressed poultry at the four markets during February were 20,800,000 pounds compared with 19,600,000 pounds a year before and a 5-year February record of 21,500,000 pounds. The decrease from January this year was 8,500,000 pounds; slightly more than twice the decrease for the same period last year. Receipts usually decrease during the first 3 or 4 months of the year, the principal source of supply being storage stocks.

Cold storage holdings of frozen poultry on March 1 were 88,665,000 pounds compared with 96,400,000 pounds a year before and a 5-year average of 103,500,000 pounds.
Prices of slaughter lambs, after reaching the highest point of the winter months the last week in January, declined somewhat during the first 2 weeks of February and then made a further sharp decline during the third week. The low on lambs at Chicago at the high point in January was $6.65 and the low point of February was $5.40. The average price of good and choice lambs at Chicago for February this year was $5.68 compared with $6.01 in January and $6.46 in February 1932. The February 15 farm price of lambs this year was $4.19 and in 1932 it was $4.58. Prices made a small recovery during the last week in February and a rather sharp advance during the period of bank closing early in March.

The weakness in the lamb market in February was due largely to the relatively large supplies during that month, and especially in some weeks of the month. While both receipts at seven leading markets and inspected slaughter were smaller than in February 1932, which was the largest February slaughter on record, the decrease in February was much smaller than in January and December. Inspected slaughter was about 13 per cent below February 1932, whereas January and December slaughter were 21 and 20 per cent respectively below the corresponding months a year earlier. In 2 weeks in February this year receipts at seven leading markets were above those in the corresponding weeks in February 1932 and the decrease in slaughter from January to February was much smaller than usual.

The relatively large supplies of slaughter lambs in February were due to the heavy early movement of fed lambs from Colorado and the Scottsbluff area of Nebraska. Although the total number on feed in these two sections was considerably smaller on January 1 this year than a year earlier the number of cars loaded during the 4 weeks ended February 25 was 17 per cent larger this year than in the corresponding weeks in 1932. This heavy early movement was due to several causes: the lambs going into feed lots this season were heavier and in better condition than a year earlier; the feeding season has been quite favorable and good gains were made; in Colorado, alfalfa hay and beet tops were in small supply and hay was high priced relative to feed grains, so that a heavier grain ration was used with a resulting quicker finish; the lamb market late in the feeding season in 1932 declined sharply and apparently feeders planned their operations to some extent this year to avoid the late market.

Supplies of fed lambs during the balance of the feed lamb season, which ends in May, will come largely from Colorado and western Nebraska. The estimated number left in feed lots in these sections at the end of February was 1,145,000 head compared with 1,350,000 a year earlier and 1,310,000 2 years earlier. During this same period new crop lambs from Arizona, California and Texas will move in volume and the movement of grass fat yearlings and wethers from Texas will be well under way.

Because of continuing unfavorable feed conditions the movement of California lambs will probably be late and eastern shipments before May 1 may be much smaller this year than last. The number of early lambs from Texas is reported as smaller than last year, but feed conditions the past winter have been generally favorable and with average seasonal conditions during March fairly heavy shipments of grass fat sheep in April are expected.
Present indications are that the supply of lambs, fed and new crop combined, from the middle of April to the middle of May will be considerably reduced from that of a year earlier. A part of this reduction in lamb supplies, however, may be offset by larger supplies of Texas yearlings and wethers. Although competition among these various classes is not very direct in most years, large total supplies tend to weaken the situation for all classes.

HORSES AND MULES

The average farm values of horses in mid-February was $62 and of mules was $67 compared with $69 and $63 in January and $76 and $61 respectively in February 1932. Horses and mules are the only products of the farm which are not bringing better prices than a year ago. What are the reasons? Some say it is because farmers can raise hay but cannot raise gasoline. No doubt many farmers can produce their own horse power more cheaply than they can afford to sell their food or other products to buy motor power at present prices. Others say that the use of horse power is more economical in connection with small scale diversified or self-sufficient farming which is the result of necessary adjustments in view of the restricted market for commercial production. Continued high transportation costs are an important factor in the agricultural price situation by restricting markets. At the present low level of farm prices, high freight rates are insurmountable barriers to the movement of many farm products, except within limited areas. These conditions force farmers to become more self-sufficient and have a tendency to increase the demand for horses and mules. Another reason for the recent marked advance in horse and mule prices in relation to other farm prices is that the supply of horses and mules cannot adjust itself quickly to a widespread increase in demand. It takes several years to raise a horse.

The number of horses in the United States declined from 21,555,000 on January 1, 1918 to 12,163,000 on January 1, 1933 and is expected to decline for several years yet because of the large number now at an advanced age which will result in a relatively high death rate in the near future. This reduction in the number of horses by nearly one-half the last 15 years was accompanied by nearly a 50 per cent drop in the value per head before the price of horses began to improve recently. A considerable part of this drop in horse prices since 1918, is of course, due to the big drop in the general price level.

WOOL

Trading in raw wool on the Boston market ceased the second week of March when it was decided to withdraw all offerings from the market during the banking holiday. Inquiries for wool and tops were reported to be increasing, but sales were suspended to await a clarification of the financial situation.

Further small declines in wool prices were reported on the Boston market in the month ended March 4. During the final week of that period, however quotations were largely nominal owing to the limited demand. Quotations on fine (64s, 70s, 80s) strictly combing territory wool remained at 43-45 cents a pound scoured basis for the month. Territory 3/8 blood (56s) scoured basis, was 35-37 cents a pound for the week ended March 4 compared with 36-38 cents a month earlier. Wool prices declined slightly in the chief foreign wool markets during February. Competition was reported to be strong and clearances were satisfactory, at most recent sales in the Southern Hemisphere. Prices received by producers February 15 averaged 8.8 cents per pound or 3.6 cents below the average a year
earlier. At the low point last July the price to producers was 7 cents and
at the high point of the subsequent recovery, October, it was 9.5 cents per
pound. The decline from January to February was only one-tenth cent per
pound showing that prices to producers were nearly stable, as were market
prices during the period. February prices by regions ranged from 7.7 cents
in the Mountain States to 12.5 in the North Atlantic States. The lowest
price, 6 cents per pound, was reported for Colorado, New Mexico, and Oklahoma,
and the highest, 14 cents per pound, for Pennsylvania. In the Carolinas,
Georgia, and Florida, the average price to producers was 13 cents per pound.

Conditions in continental European wool centers continued fairly
satisfactory through January and manufacturing activity was well maintained.
By February, however, a slackening in business was evident and the wool trade
was somewhat influenced by the less optimistic tone in other raw material
markets and by difficulties in the political situation. The English market
has recently been very quiet with new business limited to immediate require-
ments.

Consumption of combing and clothing wool by United States manufacturers
reporting to the Bureau of the Census during January was approximately 32,000,000
pounds (grease equivalent) or practically equal to the consumption in December.
The January consumption, however, was 11 per cent greater than that reported
for January, 1932. In view of the slowing-up of trade in the Boston market
during February and recent unsettled conditions, reports on consumption for
the first quarter of 1933, when available, are expected to show a decline com-
pared with the final quarter of 1932 when activity in the wool manufacturing
industry was generally high.

Imports of combing and clothing wool into Boston, New York and Phila-
delphia from January 1 to March 4 were only 1,000,000 pounds compared with 5,525,000
pounds in the same period of 1932. Only 9,030,000 pounds of carpet wool were
received to March 4 compared with 16,356,000 last year.

The 1932-33 selling season in the Southern Hemisphere on February 1 was
characterized by heavier disposals and reduced stocks as compared with last
season. Wool production in 1932 in 24 Northern and Southern Hemisphere coun-
tries which produce about 88 per cent of the world total, exclusive of Russia
and China, is now estimated at 2,870,000,000 pounds and is about equal to that
of 1931 and only 16,000,000 pounds or 0.6 per cent less than in 1930.

Interest is now beginning to center in the spring clip in Northern
Hemisphere countries, particularly in the United States. The number of sheep
reported in the United States on January 1, 1933 was 3 per cent below the number
reported on January 1 a year ago. However, conditions in the range States to
February 1 were much better than they were a year ago. Although the official
estimate will not be available for some time, prospects are for a clip probably
not less than that of 1932. Last year despite the unusually large number of
sheep on hand on January 1 the wool clip was considerably reduced as a result
of unfavorable weather which caused heavy losses in the spring and a reduced
weight of fleece. Both the number of sheep shorn and the weight of fleece
was below the average for the years, 1925-1931.
Activity in the American cotton markets has been suspended during the banking holiday. On March 3, however, the price was 6.09 cents per pound at the 10 markets, or about three-tenths of a cent per pound higher than on February 3. On the Liverpool market prices of American cotton advanced a little over one-half cent per pound during the week of March 11, and the few spot transactions in domestic markets suggested that a somewhat greater advance occurred in this country.

The developments that will occur following the banking holiday are of course uncertain. However, the optimism resulting from the strong measures adopted to meet the banking crisis pervades the cotton industry. Sales of cotton goods appear to have held up rather well in view of the financial situation, and a resumption of banking operations on a sound basis may be expected to improve trade in cotton textiles in the next few months. On the supply side, some fear that bankers may tend to force cotton onto the market whereas others are of the belief that bankers will continue to hold, particularly if such holding is part of a general program to reduce production. However, the adoption of a program to control production, such as that suggested in the recent meeting of agricultural leaders in Washington, would probably constitute the dominating supply factor in the cotton market for the next few months.

World consumption of American cotton showed a further and significant increase for the first half of the current season. For the 6 months ended February 1, the consumption of American cotton amounted to 6,845,000 running bales, or a rate of 13,700,000 bales annually. This was the fourth consecutive half-year period in which world consumption of American cotton has increased. The increase over the last half of 1931-32 was 643,000 bales or 12 per cent. The increase was 1,557,000 or 30 per cent above the first half of 1930-31. This increase in the consumption of American cotton reflects the increase in consumption of all cotton and further gains in the consumption of American cotton at the expense of foreign growths.

Consumption of Indian cotton for the half year period ended February 1, amounting to 2,060,000 running bales, was slightly above the preceding 6-months period, but was 27 per cent below the first half of last year. Consumption of Egyptian cotton decreased slightly. Consumption of sundries cotton amounted to 2,520,000 running bales, an increase of about 400,000 bales over the last half of last season. This was the first time in 3 years that the consumption of sundries cottons has shown an increase, and this probably resulted from the improved crop in China.

Mill consumption of all cotton for the half year ended February 1 amounted to 11,327,000 running bales, an increase of 10 per cent or 1,100,000 bales over the last half of last year, and an increase of 357,000 bales over the first half of last year. This was the largest consumption since the last half of 1929-30. On a poundage basis, the increase was probably greater than that shown in bales, since there was a larger proportion of American cotton in the total, the bales of which average heavier than those of Indian and sundries cotton.

World mill stocks of American, Indian, and Egyptian cottons were all slightly less than a year earlier, but mill stocks of sundries cottons were higher than a year ago.
Cotton consumption in the United States during February, despite the fewer number of working days, amounted to 4,200,000 running bales, which was only slightly less than consumption in February last year, according to data from the Bureau of the Census. The amount consumed in February this year was less than in January, which is usually the case, due to the fewer number of days in February than in January. Total United States consumption from August to February amounted to 3,253,000 bales compared with 3,077,000 bales during the like period of last season and 2,894,000 bales during the first 7 months of 1930-31.

Domestic exports during February totaled about 557,000 running bales compared with 968,000 bales exported during February, 1932; 433,000 bales in February, 1931; and 402,000 bales in February, 1930. Total exports for the 7 months this season amounted to 5,597,000 running bales compared with 5,925,000 bales during the like period last season, and 4,912,000 bales during the period from August to February, 1930-31.
### Business statistics relating to domestic demand

| Year and month | Commodity prices | | |
|----------------|------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--.--|