Market prices indicate that the general level of prices received by farmers in mid-November is about the same as in each of the previous 3 months. Prices of grains, cotton, and several other crops have increased since mid-October whereas most livestock prices have declined.

Prices received by farmers in October and in September averaged 70 percent of the 1910-1914 level compared with 56 percent in October 1932, and the low point of 49 in February. Prices paid by farmers for commodities bought, after a marked rise from March to September have continued at practically a constant level for the last 2 months. The exchange value of farm products has consequently remained at about 60 percent of the pre-war level since mid-September compared with 49 in February and 53 in October 1932.

A considerable rise in prices of export commodities such as cotton and wheat have accompanied the renewed decline in the gold value of the dollar since mid-October. Prices of cotton, wheat, and other speculative commodities rose from mid-April to July 18 at a much greater rate than the depreciation of the dollar. After July 18, and for about 3 months, most speculative commodities declined whereas the dollar, although fluctuating considerably, maintained a fairly constant level.

As a matter of record – with the suspension of gold exports on April 18 the dollar began to depreciate rapidly in foreign exchanges and in terms of gold. The gold value of the dollar declined to 36 cents on May 1, 78 cents on July 1, and 68.6 cents at the mid-summer low on July 18. Thereafter the dollar appreciated to about 75 cents by mid-August, followed by a decline to 64 cents on September 20. On October 25 the first R. F. C. quotation on domestic newly mined gold was equivalent to a gold value of 65.9 cents and on November 14 the gold quotation was equivalent to 61.6 cents.

WHOLESALE PRICES

The general level of wholesale prices in the United States at 103.5 percent of the pre-war average on November 4 was slightly lower than a month previous. Wholesale prices of farm and food products, and hides and leather declined in October, whereas fuel and lighting, and house furnishing goods increased. Prices of textiles, metals, chemicals and drugs, and miscellaneous products were practically unchanged. Fuel and lighting products, building materials, and house furnishing goods are the only groups whose prices have maintained a continuous upward trend from their respective low points earlier in the year.

Wholesale prices in England have been remarkably stable for the last 5 months. Prices in Germany have risen slightly each month from April through
In France prices declined in September to the April-May low and in Italy prices declined to a new low in October. Canadian prices, after a sharp advance from February to July, receded some in August and September. Wholesale currency prices in the major industrial countries in September (1927-1929=100) were as follows: Japan 81, United States 74, Canada 71, England and Germany 69, France 61, Italy 56.

**BUSINESS CONDITIONS**

Industrial production in October was below that of September and was marked by sharp declines in the production of iron, steel and automobiles in the latter part of October. During the first half of November there was a slowing down of the decline in steel activity. Automobile production, however, continued to decline sharply as many firms are preparing new models, the introduction of which has been delayed by tool and die workers' strikes. The lower level of production in October was accompanied by moderate declines in total freight traffic and in electric power production. Retail sales in October were in excess of a year earlier. Building activity in public works projects increased sharply in October, more than offsetting declines in residential and all other construction. The refinancing and adjusting of debts through government credit has increased rapidly the past month.

Industrial production in the United States declined from 91 percent of the 1923-1925 level in August to 84 percent in September according to the Federal Reserve Board's Index. The greatest declines in September occurred in the production of iron and steel, textiles, lumber and bituminous coal mining. During the first part of October, industrial production continued at approximately the levels of the latter part of September, but in the last 2 weeks of the month steel mill activity declined sharply and automobile production was curtailed in preparing for the introduction of new models. Production of bituminous coal declined further during October instead of making the usual seasonal increase and crude petroleum production was curtailed in line with the production control program.

During the first part of November, steel production steadied somewhat at the lower level of production reached the latter part of October. The continued upward trend of building during October and the agreement between the steel companies and the government on the price and the financing of the purchase of 1,000,000 tons of rails and fastenings for railroads brightens the prospects for the steel industry. The settlement of strikes in the more important bituminous coal producing areas has been followed by an increase in coal production in recent weeks.

Total retail sales in October were about the same as in September but below October last year. The Federal Reserve Board's Index of the value of sales in department stores was 69 percent of the 1923-1925 average in October compared with 70 percent in September and 69 in October last year. Mail order sales were well in excess of a year earlier. The retail sales of chain grocery stores in October were above September and above October last year. The sales of automobiles by distributors in October were below September as usual but materially above October 1932. The movement of merchandise and miscellaneous freight has continued steady but other carloadings failed to make the usual seasonal increase during October.
As the refinancing of debts is a very important function in laying the ground work for recovery after a period of depression, the recent accomplishments of the agencies set up to refinance and adjust debts is significant. The loans by the Federal Land Banks, including Land Bank Commissioners Loans, have increased sharply since July. Total loans by the Federal Land Banks increased from $7,252,000 in August to $13,068,000 in September and $29,546,000 in October; and in the early part of November, loans were being made at the rate of about $2,000,000 daily. The loans of other agencies of the Farm Credit Administration have also increased since May. Facilities for making loans by the Home Owners Loan Corporations have likewise been greatly increased. Loans on about 100,000 homes had been tentatively approved up to November 1 and the rate is rapidly increasing. Steps have been taken to release funds upon the assets in closed banks and to reopen such banks as can be placed in a sound condition. The loans made or refinanced through government credit is improving the credit situation of banks, and mortgage loan organizations which will increase the supply of credit available for long-term financing.

In more recent months there has been a tendency for industrial production in foreign countries to stabilize or decline slightly. Industrial production in Canada during September was practically unchanged from August, but building activity is improving. The October total of construction contracts was the largest for any month since November 1931. The level of industrial production in France was practically unchanged from June through August and in the United Kingdom was slightly lower in the third quarter than in the second quarter of 1932. Improvement in steel, textile and paper production was slightly more than offset by declines in the production of non-ferrous metals, foods, chemicals and coal mining. In Japan, where industrial production from March to May was at record levels, there was a decline of about 10 percent in June. The decline in exports of silk from Japan in recent months is adversely affecting raw silk prices. The gradual improvement in Germany since August 1932 continued through to July of this year, but the level of activity has been practically unchanged since July.

**Wheat**

Wheat prices at Liverpool and other world markets continue under the influence of large supplies in exporting countries and very restricted takings by importing countries, but the gradual decline in Liverpool prices (in terms of gold) which had been underway since mid-July was apparently arrested in mid-October. Present estimates indicate a world crop, excluding Russia and China, about 220,000,000 bushels less than last year but the carry-over at the beginning of the year was larger and total supplies are estimated to be smaller than last year by only about 100,000,000 or 150,000,000 bushels. Wheat price fluctuations in the United States during October and early November were, in part, associated with the changing value of the dollar in terms of gold. Wheat prices, however, showed much wider fluctuations than did the value of the dollar. The precipitous decline was apparently stopped and the subsequent rise initiated as a result of purchases for the account of the Federal Emergency Relief Corporation on October 16, and similar purchases have subsequently been a factor in the market at times. Plans for aiding exports from the Pacific Northwest have been placed in operation, and substantial exports are reported to have been made.

The United States average farm price of wheat was 63.6 cents a bushel as of October 15 compared with 71.1 cents a month earlier and 34.6 cents on
bushel in mid-October of last year. Indications are that the November 15 average farm price will be about the same as that of September 15. At Chicago, December futures were ranging close to 90 cents per bushel late in September and during the first few days of October. During the second week of October they plunged rapidly and on the 16th closed at 65-7/8 cents per bushel, the lowest closing level since April. Prices immediately rebounded, however, and within a week the closing level of December futures was fluctuating between 85 and 90 cents per bushel. On November 13 they closed at 91-1/8 cents.

When United States wheat prices reached their low point in October, December futures at Chicago were only about 10 cents per bushel above Liverpool, but in the recovery which followed they rose relative to Liverpool and on November 13 closed 22.5 cents higher.

At Liverpool, December futures in terms of gold showed a fairly steady downward trend from mid-July to mid-October. They reached a high closing level of 65.0 cents per bushel on July 19, and on October 17 closed at 40.7 cents per bushel. Since mid-October Liverpool futures have shown no definite trend. They recovered slightly during the third week of October but declined again during the fourth week. On November 13 Liverpool futures closed at 42.4 cents per bushel in terms of gold or 68-5/8 cents in terms of United States currency.

In the United States No. 2 Amber Durum continues to be the highest priced of the principal representative wheats. For the week ended November 4 it averaged 99.9 cents per bushel compared with 86.9 cents for No. 1 Dark Northern Spring at Minneapolis. At Kansas City No. 2 Hard Winter averaged 84.3 cents and at St. Louis No. 2 Red Winter averaged 89.3 cents per bushel during the same week.

CORN

The corn situation this year is characterized by a small new crop, large reserves from the old crop, and a restricted demand. Total supplies of corn for the year including the new crop and the carry-over from the old crop are only about 50,000,000 bushels smaller than the average of the past 5 years. Supplies of other food grains, however, are much smaller than usual, with the result that total supplies of all feed grains are about 10 percent smaller than the average of the past 5 years, and smaller than in any year since 1930. While the small supply of other food grains tends to result in substituting corn for these grains, low prices for livestock and livestock products and reductions in the number of hogs to be fed are nevertheless restricting the demand for cash corn for feeding. The large supply of old corn already in the market is tending to weaken early season prices, but the policy of the Agricultural Adjustment Administration to make loans to farmers on stored corn may be expected to reduce the pressure of early season marketings, and thereby prevent prices being as low as they otherwise would be early in the season.

The United States average farm price as of October 15 was 38.8 cents per bushel compared with 46.5 cents the month earlier, and 23.6 cents in October of 1932. At Chicago, No. 3 Yellow which had averaged 47.5 cents in September declined to 36.9 cents for the second week of October. The price on October 14 was only 34.8 cents per bushel. From this low level there was a rapid recovery, and for the last week of October and the first week of November prices averaged 44.4 and 40.9 cents per bushel respectively.
The November estimate of the corn crop is 2,289,544,000 bushels, which is practically the same as the October forecast for the United States as a whole. The crop appears to be nearly 600,000,000 bushels smaller than that harvested in 1932 and over 220,000,000 bushels smaller than the average production for the years 1926 to 1930. The total supply of feed grains including corn, oats, barley and grain sorghums is indicated to be only 96,881,000 tons this year compared with 120,633,000 last year and an average for the past 5 years of 107,650,000. The total supply of corn for the year is indicated to be 2,662,000,000 bushels compared with 3,145,000,000 last year and an average of 2,714,000,000 for the past 5 years. The oats and barley supplies are relatively much smaller, the supply of oats amounting to only 929,866,000 bushels compared with an average of 1,370,750,000 during the past 5 years, and the total supply of barley for the crop year is estimated to be 137,271,000 bushels, compared with an average of 296,391,000 bushels during the past 5 years. Grain sorghum supplies, on the other hand, are plentiful, this year's crop amounting to 106,555,000 bushels compared with a 5-year average of 93,649,000 bushels.

Corn stocks in commercial channels are large for this time of year, amounting on November 4 to 62,700,000 bushels compared with 28,400,000 last year and an average of 9,594,000 for the past 5 years on the corresponding date. Commercial stocks of oats are also large, amounting on November 4 to 50,000,000 bushels compared with 29,000,000 a year earlier, and an average of 26,000,000 bushels on the corresponding date of the past 5 years.

Farm stocks of corn as of October 1 were larger than in any other year for which October 1 stocks are available. The largest previous figure was in 1926 (the first year for which stocks were estimated as of October 1) in which year they amounted to 263,000,000 bushels compared with 312,000,000 for October 1 of this year. Apparently old corn supplies on farms this year are nearly as large as they were in 1921 when 286,000,000 bushels were reported as of November 1. The high level of stocks both on farms and in commercial channels not only results in the total supply being nearly up to average, but constitutes an especially depressing influence on the market during the early part of the season.

**FLUE-CURED TOBACCO**

Prices of flue-cured tobacco have continued to advance each week since the markets reopened September 25. The same grades of tobacco are now selling about 40 percent higher than they were before the market holiday, and well above the prices of last year. Prices for all grades sold in October averaged 14.7 cents this year compared with 12.2 cents for October 1932, according to state reports. The increase in prices in some sections has been obscured by the fact that average market prices usually decline during this period. In the South Carolina Belt (type 13) for example, average prices for the week ended November 11 apparently were about 20 percent lower than before the market holiday, but in previous seasons average prices have usually declined about 40 percent during this period, owing to the difference in quality of tobacco being sold in the different weeks. Average prices in the eastern Carolina Belt (type 12) and in the Old Belt (type 11) have continued to increase up to this time.

The improvement in prices since September 1 has been due largely to the activities of the A. A. A., and the more favorable exchange rates for the importing countries (more than half of this tobacco usually is exported).
With 95 percent of the growers agreeing to reduce next year's production by an amount specified by the Secretary of Agriculture, the adjustment Administration has assured the buyers that production of flue-cured tobacco in 1934 would be materially below annual requirements.

The 1933-34 world supply of United States flue-cured tobacco, which is estimated at 1,650,000,000 pounds (green weight), is about 4 percent larger than the world supply of last year and slightly above normal. It is 3-1/4 times the estimated world consumption of this tobacco (about 600,000,000 pounds). Although world carry-over next July is expected to be around 100,000,000 pounds larger than that of July 1933, world supplies are not expected to increase, because of the government program to reduce production.

The domestic consumption of flue-cured tobacco, about two-thirds of which is in cigarettes and one-third in manufactured tobacco, has shown some increase in the past several months, according to reports of the Commissioner of Internal Revenue. With a continued increase of consumers' buying power, domestic consumption of flue-cured products in 1933-34 is expected to be larger than in 1932-33.

Foreign consumption of United States flue-cured tobacco apparently continues to decline. Production of flue-cured tobacco in foreign countries in 1933 was the largest on record (probably as much as 200,000,000 pounds), with China and Japan each reporting record acreages of flue-cured types. Imports of flue-cured tobacco from Empire countries into the United Kingdom again were increased in 1933. Although the British consumption of tobacco products has shown some increase in 1933 over 1932, practically all of the increase has been in Empire tobacco; consumption of United States types has remained practically unchanged.

POTATOES

The late potato crop in important northern areas improved considerably with an extended growth period in October. As a result the late crop is turning out larger than forecast earlier in the season and is having a depressing influence upon prices generally. Shipments to date, however, have been heavy and it is apparent that the peak of the full movement has been passed. With weekly shipments declining it is likely that the low point in the price trend will be reached shortly and that an advance in prices may be expected. The extent of the rise from the low point to the spring high this season will depend more or less upon the quantity of potatoes carried over for the spring market and the spring crop in the early states.

The Crop Reporting Board placed the preliminary estimate of 1933 potato crop in the 30 late states at 260,000,000 bushels compared with 292,000,000 bushels produced in these states in 1932 and 285,000,000, the 1926-1930 average. In the three eastern surplus states production is placed at 88,000,000 bushels against 90,000,000 bushels last year; in the five Central States it is indicated at 72,000,000 bushels against 96,000,000 in 1932; and in the 10 western States, 70,000,000 against 64,000,000. Production in the 12 other late states is indicated at 31,000,000 bushels this year compared with 42,000,000 last year.

Weekly shipments of potatoes to central markets reached a peak of 5,734 cars during the week ended October 14 and have since declined to only 3,249 cars during the week ended November 4. A year earlier around 2,600
cars per week were being shipped. To November 4 this year 49,000 cars of potatoes have been shipped via rail or boat from the late producing states compared with only 33,000 cars to November 5 last year.

Potato prices at central markets continued to decline during October. The weekly average price at New York for the week ended November 4 was $1.72 per 100 pounds or 22 cents below that of a month ago but 69 cents above the average a year ago. At Chicago the weekly average price was $1.12 per 100 pounds for the week ended November 4 compared with $1.29 a month earlier and 64 cents a year ago. Potato prices at these markets have shown slight advances during the greater part of the second week of November.

Shipping point prices have shown the same trend as market prices during the past month. At Presque Isle, Maine, Green Mountain potatoes were quoted at $1.10 per 100 pounds f. o. b. sacked during the first week in November compared with only 34 cents a year earlier. At Rochester, N. Y. Round Whites were quoted at $1.12 against 62 cents last year, while at Waupeca, Wisconsin, they were 95 this year against 28 cents in 1932. Rustetts Rutabas at Michigan points (Cadillac rate) averaged $1.05 per 100 pounds f. o. b. sacked, during the first week in November against 82 cents during the corresponding week last year. Idaho prices this year are also quoted above those of 1932; at Idaho Falls, Russets averaged 88 cents per 100 pounds during the first week in November against 36 cents a year ago.

The United States farm price of potatoes averaged 74.0 cents per bushel on October 15, 1933 compared with 100.8 cents a month ago, 34.4 cents a year ago, and 64.7 cents the 1910-1914 October average.

HOGS

The hog market outlook at present is somewhat confused because of several unusual price-influencing factors that have been injected into it. These factors are the reduction in the winter supply of hogs by the slaughter in August and September of more than 6,000,000 pigs for government account and the consequent uncertainty as to how this reduction will be distributed over the winter months, the hog-processing tax which became effective November 5, and which is to be increased by increments of 50 cents per 100 pounds live weight at the beginning of each of the next 3 months, and the recent announcement of the proposed purchase of hog products equivalent to about 3,000,000 hogs for the use of the Federal Emergency Relief Administration this winter.

The rise in hog prices which began in September ended the second week in October and all of the advance was eliminated by the end of the first week in November. Hog prices usually decline at this time of the year, but part of this decline may have represented price readjustments preliminary to the hog-processing tax going into effect on November 5. Prices of hogs and hog products moved slightly upward the first few days after the tax became effective but by the end of the first week (week ended November 11) most of the advance in hog prices had been lost at markets other than Chicago. The situation at Chicago was complicated by a deadlock between sellers and buyers, and the accumulated supply of hogs was not moved through regular channels. The average price of hogs at Chicago in October was $4.43 per 100 pounds, compared with $4.34 in September, and $3.62 in October last year.

Hog slaughter under Federal inspection during October, amounting to 3,058,000 head, was only about 20,000 head larger than that in September and
was 15.2 percent smaller than the slaughter in October last year, and the smallest for the month since 1927. October slaughter is usually much larger than that of September; the average increase over September during the last 5 years was 769,000 head and the smallest increase prior to this year was 231,000 head. The relatively small October slaughter this year was due in part to the reduced carry-over of old-crop hogs into the new marketing year as compared with a year earlier and in part to the pronounced tendency among producers to delay the marketing of their hogs because of the prospects of greatly reduced supplies later in the winter as a result of the slaughter of more than 6,000,000 pigs for government account in August and September. Slaughter during the first 10 days of November, however, increased sharply over that of the corresponding period of 1932 when it was relatively small.

A sharp decline in corn prices at the time hog prices were advancing in October caused the October hog-corn price ratio in the North Central States to rise from 9.2 as of September 15, to 13.9 as of October 15. The October ratio was the highest since last March but was below that of October 1932. The downturn in hog prices since mid-October has been accompanied by an improvement in corn prices, consequently the hog-corn price ratio is now less favorable than a month ago.

Prices of fresh pork have been moving seasonally downward following the sharp advance in August and September, and by the end of the second week in November they were at the lowest levels since early August, although above the prices of a year earlier. Prices of most cuts of cured pork were fairly steady during October, but have since been advanced from a half cent to a cent a pound. This advance in part at least apparently reflects price readjustments in connection with the recent tax on hog-processing and floor stocks of hog products. The retail value at New York of hog products from 100 pounds of live hog was $8.58 in October compared with $8.65 in September and $8.50 in October last year. The spread between the value of the live hog at Chicago per 100 pounds and the retail value of the hog products at New York was $5.72 compared with $4.77 in October 1932.

The movement of hog products out-of-storage during October was much larger than in October last year and also was far above the 5-year average for the month. The tonnage increase over October 1932, however, just about offset the reduction in tonnage resulting from the decrease in October hog slaughter. The beginning of the new storage season, November 1, found stocks of both pork and lard considerably larger than a year earlier and larger than the 5-year average for that date. Pork stocks, totaling 493,000,000 pounds, were 137,000,000 pounds smaller than those of a month earlier, but were 14 percent larger than those of a year earlier and 18 percent larger than the 5-year November 1 average. Lard stocks were reduced 56,000,000 pounds during October, but the total of 134,000,000 pounds on November 1 was 289 percent larger than that of November 1, 1932 and 128 percent greater than the 5-year November 1 average. Total commercial storage holdings of hog products on November 1 were equivalent to about 3,900,000 hogs.

Exports of both pork and lard during September were larger than in September 1932. Pork exports, however, were smaller than in the preceding month. Total lard exports during September, amounting to 49,020,000 pounds, were the largest since February and the largest for September since 1929. Pork exports, amounting to 12,136,000 pounds, were 45 percent larger than in September last year, but were 21 percent smaller than the 5-year average for the month.
CATTLE

In view of the very short corn crop and the very small movement of feeder cattle into the Corn Belt since July a considerable improvement in the market for fed cattle after the end of this year is not unlikely. With hog supplies during the first 4 months of 1934 much below any recent year and some further improvement in the business situation, fed cattle prices may make a considerable advance during the late winter and spring, which would be contrary to the usual seasonal movement but similar to what took place in 1927.

Cattle prices continued to decline during October with the lower grades of slaughter cattle reaching the lowest level for all months, and better grades the lowest for the fall months since the decline started. While prices of all grades of beef steers declined during October and were much below October last year the better grades did not go as low as the low point in February and April this year, but the lower grades went much lower. The decline was particularly severe with heavy, finished steers and least with light heifers and yearlings. Price discrimination against weight began at about 900 pounds and grew increasingly severe as weights increased. Prices of steers averaging over 1,500 pounds dropped almost to the low point of last spring.

Early in November, the top on beef steers, which had reached $7.50 in July, was at $6.25 with only a limited number of light weights above $5.00. The average price of choice steers the first week in November of $5.83, was $1.30 lower than in the high week in July, but still 25 cents above the low week in February. The average monthly price of native beef steers at Chicago in October was $5.53 compared with $5.75 in September and $7.09 in October 1932. The October 15 farm price of beef cattle was $3.50 compared with $3.61 in September, $3.91 in October 1932, and $5.32 the October pre-war average. Common grade beef cows at Chicago sold as low as $1.75 per hundred with the bulk of native and western grass cows selling from $2.00 to $3.00. The average price of stocker and feeder steers for October was $3.68 the lowest monthly average in over 25 years.

The weakness in the cattle market in October was due primarily to the heavy supplies of cattle which was reflected in declining beef and by-products prices. The receipts at seven leading markets were 21 percent larger than in October 1932 and 4 percent above the 5-year average. Inspected slaughter of cattle was 24 percent larger than in 1932 and 9 percent larger than the 5-year average and the largest since 1927. Calf slaughter also showed a continuing increase, being 17 percent and 11 percent above 1932 and the 5-year average, respectively. The supply of cattle included an unusually large proportion of well finished cattle from Corn Belt feed lots. The combined number of good and choice steers at Chicago was the largest for any October since 1922, at least, and the number of choice steers in the week ended October 28 was probably near the all time record for any week at that market. Although the proportion of heavy fed steers in October was not unusually large the number of such steers was much in excess of what could be disposed of in the usual channels of distribution.

In many respects the fed cattle situation since July has been quite similar to what it was in 1926 following the large corn crop of 1925 and the high prices for fed cattle in the latter half of 1925. In that year there was an excessive supply of heavy finished cattle during the fall and early
winter and a very sharp price discrimination against such cattle such as has prevailed during the last 2 months.

In July and August of this year, as corn prices advanced and the movement of feeder cattle dropped off sharply, it was expected that by the middle of October the supply of fed cattle would begin to decrease and prices would show some advance. Apparently a large number of feeders acted upon this expectation and held their cattle in the hope of getting a higher price. As a result the expected abatement in supplies did not occur and prices were lower rather than higher.

Market opinion is that there is still a fairly large supply of fed cattle still to come not only from the Corn-Belt but also from Virginia and West Virginia pastures. Hence there now seems little likelihood that the fat cattle market will make much improvement during the balance of this year.

If the plans of the Agricultural Adjustment Administration and the Federal Relief Administration to buy large amounts of domestic canned beef for distribution for relief purposes are carried out, the market for cows should be materially strengthened which should also give additional support to the whole cattle market.

BUTTER

Butter prices showed practically no change last month despite the fact that both current production and storage stocks are decidedly larger than a year ago. Movement into consuming channels and consumer expenditures for butter in September were less than a year earlier.

Production of creamery butter in September of 139,000,000 pounds exceeded the same month of 1932 by 9 percent, making a new high for the month. The decline in production from August to September of 17 percent was slightly less than the usual seasonal decline, but greater than the decline between the same 2 months of last year. Total production for the first 9 months of 1933 was 3.0 percent larger than in 1932. In September, production in the East North Central States was 5 percent less than a year earlier. This was the only group of States in which September production was less than in September last year. In the West North Central States the increase over 1932 of 17 percent in September was only slightly less than in August.

Milk production per cow as reported by crop correspondents on November 1 was 11.48 pounds or 1.9 percent less than on November 1, 1932. On October 1 this difference was only 1.2 percent. Crop correspondents reported milking 68.2 percent of the cows in their herds on November 1, which is 0.2 of a percent more than a year previous.

The average price of 92-score butter at New York in October of 24.0 cents was 0.4 of a cent a pound higher than in September and 3.3 cents higher than in October 1932. The farm price of butterfat on October 15 was 20.1 cents compared with 19.8 cents a month earlier and 17.9 cents a year earlier. Compared with a year previous the price of butterfat was 14 percent higher whereas prices of feed grains were nearly twice as high. This makes a more unfavorable situation for butter production than a year earlier, although it is somewhat more favorable than in the last 3 months.
Prices of livestock, veal calves, beef cattle and hogs are relatively low compared with butterfat. With butterfat prices relatively high compared with other livestock products dairy cows may get somewhat more than their usual proportion of the feed supplies available. Feed carry-overs at the beginning of the next pasture season, however, may be less than a year ago.

The trade output of butter in September was 3.9 percent less than a year earlier in marked contrast to the 3.0 percent increase in production. Retail prices of butter in September were approximately the same as a year earlier. The latest data available on pay rolls indicate they are considerably larger than a year ago. At the present time there does not seem to be the increased expenditures for butter and cheese that might be expected with recent increases in total pay rolls.

Danish butter in London has advanced during the past month to the equivalent at prevailing exchange of 27.5 cents on November 9 against 24.0 cents for 92-score butter in New York.

Cold storage holdings of creamery butter on November 1 were 160,400,000 pounds, or more than twice as large as on the same date last year, and the highest on record for that date. During October the out-of-storage movement was 14,000,000 pounds or about two-thirds of the October 5-year average.

CHEESE

The production of cheese continues decidedly higher than a year ago whereas the movement into consuming channels is less and stocks are large. Although cheese prices in Wisconsin are less than a year ago consumer expenditures for cheese appear to be decidedly less.

Production of cheese in September was estimated to be 6.6 percent larger than a year earlier. September was the fourth consecutive month in which cheese production exceeded the preceding year by more than 5 percent. Total production from January through September was 7.4 percent larger than in the same months of 1932. In Wisconsin, production for the first 9 months of 1933 was 11 percent larger than a year earlier. There was also a marked increase in the West North Central States, but production in New York was 10 percent less than in the same months of 1932.

The price of cheese (twins) on the Wisconsin Cheese Exchange in October averaged 10.5 cents, the same as in September, which was 0.4 cent below the price of October 1932. The trade output of cheese in September of 41,305,000 pounds was 2,093,000 pounds more than in August and 2,391,000 less than in September 1932. Based on the change in trade output and retail prices, consumer expenditures for cheese in September were 1.9 percent less than in September 1932.

Imports of cheese in September amounting to 2,600,000 pounds were about 40 percent less than a year earlier, but for the first 8 months of the year imports were only about 7 percent less than in the same period of 1932.

Although cold storage stocks of American cheese declined to 95,800,000 pounds on November 1, this is the largest on record for the date and is about 30,000,000 pounds more than a year ago. The out-of-storage movement in October was 3,500,000 pounds compared with 1,700,000 pounds a year earlier and a 5-year average of 3,000,000 pounds.
EGGS AND CHICKENS

The market price of eggs rose in October by about the average seasonal amount. The seasonal peak in egg prices usually occurs in November or early December. Receipts were below those of a year ago. Owing to the late hatching season receipts have been less than a year ago and, in view of this, receipts are likely to continue low through the fall and early winter. Storage stocks are being reduced somewhat more rapidly than earlier in the season, indicating a higher level of consumption.

Prices of special-packed mid-western fresh eggs at New York averaged 28.3 cents per dozen in October and were 32 cents on November 6. Their average price in September was 23.0 cents and in October 1932 it was 30.2 cents. Prices of firsts averaged 19.9 cents, a smaller advance for the month. The farm price of 20.8 cents on October 15 was 87 percent of the October 1910-1914 average. The corresponding ratio in September was 78 percent. The farm price of chickens continued its seasonal decline, reaching 9.3 cents a pound on October 15. This is 79 percent of the 1910-1914 average for October 15, about the same as a month before.

Receipts of eggs at the four markets during October were 593,000 cases compared with 692,000 cases a year before and a 5-year average of 639,000 cases. As was the case in September, these are the lowest receipts for the month in many years. Present relatively high egg prices and low chicken prices will tend to result in the saving of pullets and in heavier feeding so that receipts a few months hence may more nearly approach the level of a year ago.

Receipts of dressed poultry at the four markets during October were 31,600,000 pounds compared with 31,300,000 a year ago and a 5-year average of 33,400,000 pounds. Receipts during the rest of the fall and winter are not likely to be much greater than in the same period of 1932.

Cold storage stocks of case eggs on November 1 were 5,178,000 cases compared with 3,225,000 cases a year before and a 5-year average of 5,285,000 cases. The out-of-storage movement of eggs during August and September was rather high compared with other years and in October the increase was maintained, the out-movement being 2,288,000 cases, or about 200,000 cases more than the 5-year average.

Cold storage holdings of frozen poultry on November 1 were 59,631,000 pounds compared with 54,939,000 pounds a year before and a 5-year average of 64,978,000 pounds.

LAMBS

In view of the probable smaller supplies of lambs for slaughter during the next 6 months, than a year earlier, together with much smaller supplies of hogs and reduced supplies of fed cattle, a higher level of lamb prices than in October and considerably higher than during the winter and spring a year earlier is expected.

Lamb prices declined further during October to the lowest level since 1933 lambs began to move in volume. During the latter part of the month the top on choice lambs at Chicago went to $6.75, the first time it was below $7.00 during the present crop marketing season. A sharp recovery was made
Prices of feeder lambs at Chicago did not change greatly during October but the average cost of feeder lambs was a little lower than in September, being $6.06 compared with $6.15 in September, $4.66 in October 1932, $4.98 in 1931 and $6.58 in 1930.

The dressed lamb market was weak during most of October, but the rather strong demand for feeder lambs tended to support the market for slaughter lambs. While the average monthly price of dressed lambs was somewhat higher than in October last year, the much higher level of wool prices this year continued as the principal cause of the higher level of lamb prices compared with October last year.

Supplies of lamb during October were large relative to last year and to other months during the current marketing year. Receipts at seven leading markets were 2 percent smaller than in October 1932, and 15 percent below the 5-year October average, but inspected slaughter of 1,668,000 head was 4 and 5 percent, respectively, above October 1932 and the 5-year average. The large October slaughter brought the total slaughter for the first 6 months (May 1 to November 1) of the present marketing year to 9,201,000 head - practically the same as for the first 6 months of the 1932-33 marketing year. With the lamb crop this year estimated at about 750,000 head smaller than in 1932 and with a rather marked tendency to hold ewe lambs in many of the Western States, it seems highly probable that slaughter during the second half of the present marketing year (November 1, 1933 to May 1, 1934) will be considerably smaller than during the second half of the previous marketing year. If such a decrease takes place the proportion of the total yearly slaughter in the first half of the present marketing year will be considerably larger than the large proportion in the 1932-33 year, and the largest since 1921-22.

Although shipments of feeder lambs from markets into the Corn Belt States were somewhat larger in October this year than last, direct shipments into Colorado and probably into the Corn Belt States were much below last year. Total market shipments into the Corn Belt for the 4 months July to October were a little larger than the very small shipments in 1932, but much smaller than in any other year since 1919. All present indications point to a considerable decrease in lamb feeding this year from last. A heavy movement of feeder lambs in November and December, which might come from Texas where the feed situation in the principal sheep area is serious, might change this situation.

WOOL

Wool prices in the United States during October were unchanged from the highest levels of the year reached in September, but the volume of trading on the domestic market was small during the month. Retail sales of woolen materials have been smaller than had been expected and mill activity has slackened somewhat during the last 2 months. The present relatively small supply of domestic wool and rising prices in foreign markets have been important factors in maintaining wool prices during the recent period of slow
trading. The trend of domestic wool prices during the next few months will depend considerably upon monetary developments in this country and abroad. The recent upward movement in wool prices in foreign markets and the recent decline in the exchange value of the dollar have reduced the margin between domestic and foreign prices, and large imports of wool are unlikely at the prevailing price relationships. Since present supplies of domestic wool are reported to be relatively small, improvement in mill activity during the remainder of 1933 and early 1934 would make increased imports necessary and some widening in the spread between domestic and foreign prices in terms of United States currency probably would occur.

Raw wool prices remained practically unchanged at Boston during October and the early part of November. Quotations for fine (64s, 70s, 80s) strictly combing territory wool averaged 83 cents a pound for the week ended November 11, having shown no change since September. The average price of this wool in November 1932, was 47 cents a pound. Territory 3/8 blood 56s, was 77.5 cents a pound throughout the week ended November 11 with no change from the previous month. For the month of November 1932, this wool averaged 41 cents a pound. The United States average farm price was 23.8 cents a pound as of October 15 compared with 23 cents on September 15 and 9.5 cents on October 15, 1932. Prices in foreign markets have advanced slowly since the middle of October. Trading at Southern Hemisphere sales is reported to be active at steady to higher prices.

Activity in the United States wool manufacturing industry declined slowly from the high point in July through September, and some further slackening in mill operations was reported in October. Consumption of combing and clothing wool reported for September was about 6 percent smaller than in September 1932, which was the month of greatest activity last year. Consumption reported for the first 9 months of this year was 40 percent greater than in the same months of 1932.

Imports of foreign wool have declined since August when 10,297,000 pounds of combing and clothing wool were imported. Imports in September were 5,409,000 pounds and approximately the same quantity was received at the ports of Boston, New York, and Philadelphia in October. Imports of combing and clothing wool for the first 9 months of this year amounted to about 31,000,000 pounds compared with 14,000,000 pounds in the first 9 months of 1932. Imports of carpet wool from January to September amounted to about 95,000,000 pounds compared with 27,500,000 pounds in the same months of 1932. Receipts of domestic wool at Boston for the first 10 months of this year amounted to about 240,000,000 pounds compared with 198,000,000 in the same period last year and an average of about 211,000,000 pounds for the 10-month period in the years 1928-1932.

Latest reports of the seasonal movement of the 1933-34 wool clip from Southern Hemisphere countries tend to confirm earlier estimates of a reduced output of wool in these countries. Apparent supplies of wool in Australia, New Zealand, and the Union of South Africa on September 1 were approximately 1,455,000,000 pounds, a decrease of 16 percent below the same date last year and 10 percent below the 5-year average, 1928-29 to 1932-33, at the same date. Despite reduced supplies, however, disposals at selling centers for the early months of the season are considerably greater than for the same period of recent years. Exports for the first 2 months of the 1933-34 season for the same three countries amounted to approximately 82,000,000 pounds, an increase of 15 percent above the same period a year
earlier and 25 percent above the 5-year average, 1928-29 to 1932-33 for those months.

Although the estimate of 348,000,000 pounds for the 1933 wool clip of Argentina recently released by the Buenos Aires Branch of the First National Bank of Boston, is slightly larger than that of last season, the exportable surplus is expected to be only 317,000,000 pounds, which is below that of last season. The decline in the exportable surplus is due principally to a reduced carry-over of old clip wool and to increased domestic consumption.

Domestic cotton prices on November 13 were 0.2 cents per pound, or about 1.2 cents higher than those existing October 16. Prices of Indian cotton in foreign markets during the past month continued cheaper relative to American than in either of the two previous seasons. Domestic cotton mill activity remained about unchanged during October as compared with September, and was slightly higher than a year earlier. During the first 3 months of the present season, domestic mills used about 14 percent more cotton than in the first quarter of 1932-33 and more than in the like period of either 1930-31 or 1931-32. Mill activity abroad continues to run well above a year ago. Domestic exports of raw cotton so far this season have been the largest for the period since 1926-27. Heavy shipments to Japan and Great Britain account for the increase this season. The world supply of all cotton this season is now expected to be larger than in either of the two previous seasons, despite the smaller supply of American, due to increased foreign production and a large carry-over of foreign cotton.

Cotton prices declined in the early part of October and then turned upward. On October 16 the average price of American middling 7/8 inch cotton in the 10 designated markets was 2.51 cents per pound, or about 1 cent per pound below the price existing the first part of October. During the latter half of October, however, cotton prices advanced almost 1 cent to 2.47 cents, and on November 13 averaged 2.73 cents per pound. Prices of American cotton in foreign markets when adjusted for exchange rate have moved about as domestic prices. Indian cotton at Liverpool has shown relatively little change as compared with prices of American during recent weeks. The average price of three types of Indian (Gonar, Froug, and Sind) is now less than 50 percent of the price of American middling and lower middling, whereas a year ago Indian was around 88 to 90 percent of American.

During October domestic cotton consumption amounted to 504,000 running bales compared with 495,000 bales consumed in September, 502,000 bales in October last year, and was the largest for the month of October since 1929. Total domestic mill consumption for the first quarter of the 1933-34 season amounted to 1,592,000 bales. During the first 3 months of 1932-33 domestic mills used 1,350,000 bales, which was 193,000 bales, or 14 percent, less than during the first part of the present season. Consumption during the first quarter of this season was the largest for the corresponding period since 1929-30. Indications are that sales of cotton goods by mills during most of October were perhaps somewhat below production. However, sales by mills have probably been running above a year earlier as has apparently been the case with retail sales. Trade reports state
that mill activity in foreign countries as a whole during the first 2 or 3 months of the season has been considerably higher than during the like period of the past season. Mill activity in Great Britain has been materially higher than last season despite the smaller exports of piece goods. Japanese mills continue very active with continued large exports of cotton cloth. Cotton mills in China were operating at a considerably higher rate in October than in September.

Domestic exports during October amounted to about 1,047,000 running bales, which is about the same as October exports in each of the last 3 years. For the first quarter of the season exports of American cotton, which totaled 2,449,000 bales were the largest for the period since 1936-27. Exports to Japan so far this season have been the largest in history. The heavy shipments to Japan and the larger exports to Great Britain account for the large exports so far this season. Japan's large takings have resulted from the substitution of American cotton for Indian as a protest against the 75 percent tariff on non-British goods. India has been one of Japan's largest foreign markets for cotton goods and one of her most important sources of raw cotton.

Present indications are that the world supply of all cotton for the 1933-34 season will be larger than in either of the two previous seasons despite the reduction of about 1,300,000 bales in the supply of American. The increase in the supply of all cotton is accounted for by an increase in both the production and carry-over of foreign cotton. However, the increased foreign production represents in most countries a return to more normal production after 1 or 2 years of reduced crops. The November estimate placed the domestic crop at 13,100,000 bales of 480 pounds net compared with 13,002,000 bales produced in 1932 and an average production during the past 10 years of 14,400,000 bales.
### Business statistics relating to domestic demand

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1/ Federal Reserve Board indexes, adjusted for seasonal variation.
2/ United States Department of Agriculture, August 1909-July 1914 = 100.
4/ Weighted average of index for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands.
5/ The Annalist. Average of daily rates on commercial paper in New York City.
6/ Dow-Jones index is based on daily average closing prices of 30 stocks.