One of the reasons why the production of durable goods falls off in depressions more than non-durable goods is that consumers are able to postpone buying such lasting products as automobiles and household appliances. Another reason is that business men curtail their expenditures for new plants and equipment, and for the rehabilitation of their existing facilities. In years of rising business activity and industrial prosperity, business men tend to increase their expenditures for such purposes. The money for these expenditures may be obtained from the sale of new securities such as stocks and bonds, from bank loans, or from cash reserves built up during years when profits were good or when depreciation was being charged off without comparable expenditures for replacement. The fact that borrowers and loaners of new securities did not increase much from 1933 to 1937 caused many people to believe that the rise in industrial activity during those years was mainly in consumers' goods. This chart indicates that, on the contrary, expenditures by business men for producers' goods increased during this period in much the same way as during other years of rising business activity. The sharp decline in business activity and profits in 1937-38 brought a sharp drop in expenditures for producers' goods in 1938, extending into 1939. Prospects for an increase in expenditures in 1939-40 depend largely, although not entirely, upon the course of business activity and business profits meanwhile.
DOMESTIC DEMAND

The outlook continues to be for relatively stable domestic business conditions and demand for farm products in 1939. Indications still point to some improvement during the summer, but no marked changes are in prospect. Consumer income has remained practically constant since last November.

The general level of industrial activity was lower in April than in March, reflecting almost entirely the reduction in production of minerals and in other commodities affected by the coal strike. Manufacturing production was maintained at about the same rate as in March. Slight declines or less-than-seasonal increases in steel, automobiles and some branches of textile activity were largely offset by increases in other industries.

The failure of industrial activity to register the anticipated spring improvement frequently is attributed mainly to European developments. War scares doubtless have affected purchases by both consumers and business men, and it is possible that the continuation of these uncertainties might intensify and prolong the current slight recession. More careful analysis indicates, however, that the disappointing showing of industry this spring can hardly be attributed mainly to the European situation. It can be traced largely to the effects of the coal strike and to the slowing down of steel production. Most other industries have been doing as well as had been expected. Automobile production has declined to permit reduction in stocks accumulated during the winter, but this has been discounted for some time.

Expectations of a rise in steel production were based on indicated inventories and future requirements of manufacturers using steel, particularly for automobiles. Contrary to earlier prospects reported in the trade, new buying by auto manufacturers failed to appear in any volume. Purchases of steel by automobile companies at the time price concessions on steel were made last fall apparently were sufficient to carry the manufacturers through most of the 1939-model season. It appears that some other users of steel and raw materials have been allowing their inventories to decrease. Such minor variations in timing and volume of purchases by business men, may have little bearing on fundamental trends of industrial activity, although they do affect the short-time behavior of business indices and sometimes greatly confuse the business outlook.

The introduction of 1940-model automobiles is slated to be earlier this year than usual, in order that the new cars can be shown to visitors at the world fairs. This will mean an earlier than usual falling off in automobile production, and probably earlier buying of steel and other supplies for the new models. This may contribute to a relatively favorable showing of industry during the summer months. The active building industry this year, and the stage of progress on PWA projects, also will have such a tendency. Likewise, settlement of the coal strike should contribute to a relatively favorable summer showing, as stocks depleted during the strike are restored. On the other hand, the situation for some of the important textile lines may have an opposite effect, and the general spirit of caution on the part of business men probably will prevent any sharp rise.
Even if some of the unfavorable elements in the situation should offset the moderately favorable factors enumerated above, there appears to be a sufficient assured volume of output in prospect to prevent any serious recession like that which occurred in 1937-38. Conditions continue to point, therefore, toward relatively stable business conditions and consumer purchasing power in the United States during the remainder of the year.

FOREIGN DEMAND

The outlook for the foreign demand for United States agricultural products appeared a shade better in early May than it did a month ago. The principal basis for this conclusion is that, in addition to continuation of the advance in British and French business indexes, remarkable stability has been shown by both British and continental exchange rates in the face of continued European uncertainties.

The Economist index of business activity in the United Kingdom stood at 105.5 for April. This is the highest since March 1938. Furthermore, the advance since December has been due entirely to those components of the index (iron and steel consumption, coal consumption, cotton consumption, building activity, and exports of manufactured products) which reflect industrial production. Several of the more stable components (such as postal receipts) actually declined during the month.

Indications are that French business activity is continuing to rise. A net movement of gold into the country indicates that capital is being repatriated (apparently chiefly from Belgium, Switzerland, and the Netherlands). It was possible for the Government to transfer 5 billion francs from the stabilization fund to the Bank of France. The index of industrial activity (excluding textiles) in February stood at 89 compared with 81 for October.

Industrial production in Belgium rose during March, terminating the decline begun in November. Industrial production in Canada on the other hand, continued to fall steeply with little indication that improvement is at hand.

Spot European exchange rates were remarkably steady during April, in spite of political developments which might have been expected to precipitate panicky fluctuations such as characterized the crisis of September 1938. Sterling remained between $4.68 and $4.69 where it has held since early January. In the case of the French franc, not only were spot rates steady, but forward rates also showed unusual stability. Belgian exchange was less stable, due to internal developments, but the Guilder actually advanced. On May 9 the Guilder stood at 53.61 cents, representing a rise of more than a cent and a half since the beginning of March.

In spite of all these developments, there were extremely heavy movements of gold to the United States from most European capitals, much of it representing the transfer of central bank reserves to the United States as a precaution.
WHOLESALE PRICES

Wholesale prices continued in April to display a definitely sagging trend, as business recovery failed to materialize. The general level of wholesale prices in April was 76 percent of the 1926 average, equivalent to 111 percent of the 1910-14 average. Changes since April suggest, however, that the downward trend of prices may have been stopped. Prices of wheat and cotton in early May were about 10 percent higher than in mid-April. Commodity buying policies in recent months have been very conservative, and it is believed that manufacturers' stocks of some materials are rather low. Increased buying of some new materials should occur within the next few months if present industrial prospects materialize.

Prices of most commodities in late April were the lowest for the year thus far. Wholesale prices of farm products in early May were 3 points lower than the April 1 level and also 3 points below the level of a year ago. The ratio of wholesale prices of farm products to nonagricultural products for the week ended May 6 was 76 percent of the pre-war level, compared with 80 for the corresponding week a year earlier.

The combined index of wholesale prices in nine foreign countries that have a considerable influence on the foreign demand for our farm products, at 86 percent of the 1924-29 level, has been practically unchanged for 6 months. Prices in Japan have risen 6 points since January, and are 13 points above the level of a year ago. Prices in France, which have had an upward trend in recent months, declined a little in April, reflecting lower prices of domestic commodities and foodstuffs.

PRICES RECEIVED AND PAID BY FARMERS

Market prices indicate that the general level of prices received by farmers in mid-May is about the same as or slightly higher than in mid-April. Prices of grains and cotton have increased, whereas prices have declined for most meat animals and dairy products.

The general level of prices received by farmers in mid-April was 89 percent of the pre-war average, compared with 91 in March and 94 in April 1938. The April level was the lowest since July 1934. Declines in prices of hogs, dairy products, and a few minor commodities more than offset increases in prices of cattle and most grains.

The preliminary estimate of prices paid by farmers for commodities has been unchanged since December, at 120 percent of the 1910-14 average. Reflecting the decline in farm prices, the ratio of prices received to prices paid by farmers declined 2 points from March to April to 74 percent of the pre-war average, compared with 75 in April 1938.
FARM INCOME

Farm cash income in April was smaller than in March but the decrease was much less than the usual seasonal change. Income from meat animals and dairy products was down more than seasonally but returns from poultry products and wool were larger than in March. The increase in income from poultry products was not so large as the usual increase from March to April. Income from crop marketings declined less than usual from March to April.

Income from marketings in the second quarter of 1939 will probably be nearly as large as for April-June last year, and Government payments are expected to continue higher during these months. Total farm cash income, therefore, will probably be about as large as in the second quarter of last year. Government payments to farmers in April amounted to $90,000,000 compared to $60,000,000 paid in April last year.

WHEAT

The sharp advance in domestic wheat prices in late April and early May was apparently, largely the result of droughts in rather wide areas of the wheat belt and the accompanying possibility of a small wheat crop in the United States. The weekly average price of No. 2 Hard Red Winter wheat at Kansas City advanced from 69 cents for the week ended April 15 to 75 cents for the week ended May 6. During this period the weekly average price of May futures at Liverpool advanced only from 59 to 61 cents per bushel, which tended to increase the disparity between domestic and foreign prices.

A winter wheat crop of 544 million bushels was indicated by May 1 conditions. This compares with 687 million last year and 560 million for the 1928-37 average. The crop has deteriorated in western Kansas, Oklahoma, and Texas, where the weather has been dry since mid-April. Unfavorable conditions also have prevailed in the spring wheat area. If yields of spring wheat are about the same as for the 1929-38 average, on the indicated acreage of spring wheat, the combined spring and winter wheat crops would total about 700 million bushels. If the carry-over is around 275 million bushels, and production is as large as indicated above, the total domestic supply of wheat for 1939-40 will be slightly less than 1,000 million bushels compared with 1,084 million bushels in 1938-39.

The winter wheat crop in Europe is average or below average in condition. In France, Germany, Belgium, and the Netherlands, the condition is reported to be below that of a year ago. Favorable conditions continue in the Danubian countries. Seeding of spring wheat in Canada started later than usual, but it is progressing rapidly and is now more advanced than at this time a year ago. Subsoil moisture, however, is deficient over much of the wheat area. Grasshopper damage threatens to be a serious factor in the development of the crop. Seeding conditions are generally favorable throughout most of Argentina and Australia.
Further reduction in the stocks of "free" American cotton together with the possibility of a domestic export subsidy and a continued high level of domestic consumption contributed to the rather substantial advance in domestic cotton prices in late April and early May. The average price of Middling 7/8 inch cotton in the 10 designated markets advanced from about 8-1/3 cents on April 15 to 8-3/4 cents by the end of April and to 9.15 cents on May 9, a new high for the season to date. On May 13 the average price in these markets was 9.11 cents.

Domestic manufacturers' sales of cotton textiles in April and the first 2 weeks of May apparently were considerably below output. Prices of cotton textiles failed to advance in proportion to the advance in cotton prices with manufacturers' margins (based on 17 gray goods) lower in early May than for 6 years. As a result of the small margins and restricted sales, trade reports indicate that since early April the trend of domestic mill activity has been downward. Nevertheless, activity is still fairly high. In April consumption was about one-third larger than in April last year and 3 percent above the preceding 10-year April average. For the 9 months ended April, consumption was one-sixth larger than a year earlier and with one exception the largest for the period since 1928-29.

Exports from the United States in April were less than half the small exports of April last year and the smallest for the month in more than half a century. The total for the 9 months, August through April, was about two-fifths the exports a year earlier and the smallest for the period in 57 years.

Foreign consumption of American cotton in April and for the season to date, while exceptionally low, was much higher in relation to past years than exports, with a consequent reduction in foreign stocks of this cotton. In March foreign mills consumed only about 7 percent less American cotton than in March last year, according to reports of the New York Cotton Exchange Service, but this was probably the smallest March figure since 1919. For the 8 months ended March, consumption of American was one-sixth less than a year earlier and 37 percent less than the average for the period during the preceding 10 years. Foreign consumption of cotton other than American in March, on the other hand, was second only to the record March consumption of 1937 and about one-third larger than the 10-year average for March. Aggregate consumption of such cotton from August through March showed somewhat similar comparisons.

CORN AND OTHER FEED GRAINS

Feed grain prices advanced moderately during the past month, reflecting unfavorable prospects for the oats and barley crops, and the sharp rise in wheat prices. The percentage participation in the corn program is expected to be much larger this year than in 1938, and the loan program may give more support to corn prices, if yields are average or above.
The total quantity of 1938 corn sealed was 227 million bushels, which, together with the 27 million bushels of 1937 corn, made a total of 254 million bushels under seal on farms. This was 21 percent of the stocks of corn on farms April 1. Receipts of corn at the 13 leading markets during the first 7 months of the present marketing year have totaled about one-fourth less than the large receipts in the corresponding period of 1937-38. Smaller receipts this year are apparently largely the result of a reduced demand for export and an increased storage of corn on farms due to the Corn Loan Program.

Exports of corn during the period October through March totaled 28 million bushels compared with 34 million bushels for these months last year. The Argentine crop being harvested this spring is now officially estimated at 213 million bushels compared with 174 million last year, and the 1933-37 average of 346 million bushels. Production in the Union of South Africa is now estimated to be 37 million bushels larger than the 1938 crop of 69 million bushels.

**HOGS**

Slaughter supplies of hogs during the remainder of the marketing year, which ends September 30, are expected to be considerably larger than a year earlier. Some seasonal reduction in marketings, however, is expected during the late summer. Storage holdings of pork and lard on May 1 were only slightly larger than a year earlier, and they were below average.

Relatively large losses of spring pigs have been reported in some areas, and it may be that the average number of pigs saved per litter this spring is smaller than the record high average of last spring. But reports generally indicate that the number of sows farrowing this spring is substantially larger than a year earlier. Despite the reported heavy losses of pigs, it is expected that the 1939 spring pig crop will be materially larger than that of 1938. The official estimate of the 1939 crop will not be available until late June. The prospective increase in the spring pig crop this year will be reflected in larger hog marketings in the fall and winter of 1939-40.

After declining fairly sharply during March, hog prices weakened further during April. The average price of butcher hogs at Chicago for the week ended May 6 was about $6.90 compared with about $7.20 in late March and $8.05 in late February. The decline in prices in the past 2 months reflects partly the increase in marketings during March and also a slight weakness in consumer demand for meats since January.

Inspected hog slaughter in April totaled 2,931,000 head and was 300,000 head smaller than in March. But it was about 470,000 head larger than the slaughter in April last year. For the 1938-39 winter hog marketing season, October through April, inspected slaughter of hogs, totaling about 24.7 million head, was 12 percent larger than that of the winter season of 1937-38.
The number of cattle slaughtered under Federal inspection in the first 4 months of 1939 totaled 8 percent less than in the corresponding period of 1938. The average weight of cattle slaughtered, however, was somewhat heavier than a year earlier. Numbers for slaughter are expected to continue smaller than last year throughout most if not all of 1939, chiefly because of the tendency to hold more than the usual proportion of breeding stock on farms to increase herds.

Both steer slaughter and cow and heifer slaughter so far this year have been running below the slaughter of a year earlier. But with an increase in the number of cattle on feed (estimated in the Corn Belt as of April 1 to be 13 percent larger than a year earlier), marketings of steers during the summer and fall months probably will equal or exceed those of a year ago.

Prices of the better grades of slaughter steers and heifers declined in late April and early May. The decline was largely seasonal, resulting from increased marketings of grain-fed cattle, but apparently was due in part to some weakness in the demand for meats. The average price of good grade steers at Chicago for the week ended May 6 was $9.82 per 100 pounds, 70 cents lower than a month earlier, but more than $1.50 higher than a year earlier. Prices of stocker and feeder steers also declined beginning in late April, but in early May were still more than $1 higher than a year earlier.

In contrast to prices of the upper grades, prices of lower grade slaughter cattle held steady during April and early May. Although marketings of grain-fed cattle increased seasonally in late April, a sharp decrease occurred in marketings of the lower grades.

Inspected cattle slaughter in April totaled 677,000 head, 12 percent less than in March and 17 percent less than in April 1938. Inspected calf slaughter in April also was smaller than that of a month and a year earlier.

LAMBS

Slaughter supplies of sheep and lambs in May and June probably will be considerably smaller than a year earlier. Supplies of early lambs as well as grass fat yearlings from Texas will be much smaller, and marketings of early lambs from the native sheep States in May and June will hardly equal those of last year.

Weather and feed conditions in April were very unfavorable for the development of early lambs in California, Texas, and the Northwestern States. Continued lack of rainfall in California caused a record movement
of lambs in April, a large proportion of which were only in feeder condition. With green feed lacking and other feed short in Texas because of drought, the condition of early lambs in that State declined further during April. Weather and feed conditions in the native sheep States were fairly favorable for the development of early lambs in April, but the condition of early lambs on May 1 in those States was somewhat below average.

Prices of spring lambs were about steady during April, but rose slightly in early May. The average price of good and choice spring lambs at Kansas City for the week ended May 6 was about $10.55 compared with $10.40 in early April and about $9.40 in early May last year. Prices of fed lambs advanced during April and early May. The average price of good and choice fed wooled lambs at Chicago for the week ended May 6 was $10.30 compared with about $9.50 a month earlier and $8.10 a year earlier.

Markets of sheep and lambs decreased sharply during April. Inspected slaughter of sheep and lambs for the month, totaling 1,224,000 head, was 17 percent smaller than in March and 14 percent less than in April last year. Ordinarily, slaughter in April is not greatly different from that of March. The marked decrease this year probably resulted from the usual falling off in marketings of fed lambs at the end of the season and the failure of marketings of new crop lambs and yearlings to expand as much as usual.

Wool

Domestic supply and demand conditions are relatively favorable for the disposal of the 1939 wool clip which is now arriving on the market; but price changes will continue to depend to a considerable extent upon foreign market developments.

Sales of domestic wool increased in the last month with interest centered chiefly in new clip wools in producing areas. Mixed lots of 3/8 and 1 1/4 blood fleece wools available for immediate shipment were sold in the second week of May for 26.5 to 29 cents a pound, greasy basis, delivered to Eastern markets which was about 2 cents a pound higher than a month earlier and about 4 cents a pound higher than prices of similar wools a year earlier. Prices of graded spot wools at Boston did not change materially in the last month. Prices of crossbred wool at the London sales which opened May 2 were higher than for the previous sales in March, but prices of fine wools were about the same as in March.

The decline in prices of domestic wool at Boston in March and early April and the advance in prices at the London sales has reduced the spread between Boston and London prices. Thus far in 1939, however, the spread has been considerably wider than in 1938. Reflecting this wider spread, United States imports of apparel wool in the first quarter of 1939 were much larger than a year earlier, but were smaller than the relatively large imports of 1936 and 1937. The first quarter of the year is usually the season of largest imports.
Stocks of apparel wool reported by United States dealers and manufacturers on April 1 plus estimated stocks of the 1938 clip remaining on farms and ranches and in local country warehouses in the 13 Western sheep States totaled 178 million pounds grease basis. The stocks reported on April 1 were about 58 million pounds smaller than a year earlier and smaller than the April 1 average for the 5 years 1934-38.

Domestic mill consumption of apparel wool continued high in March. Consumption on a scoured basis for the first quarter of the year was almost twice as large as a year earlier but was smaller than in 1936 and 1937. Orders for mens wear fabrics held by mills in April were reported by the New York Wool Top Exchange service to be about twice as large as a year earlier when orders were small.

It now appears certain that the carry-over of wool into the 1939-40 season will be below the average of the last 5 years in most Southern Hemisphere countries. Stocks in European countries are fairly large but mill activity is increasing in these countries, and the continued expansion of rearmament programs favors the building up of stocks of raw wool in consuming countries.

**BUTTER**

The price of 92-score butter at New York in April averaged about 1.2 cents less than in March. This was about the usual seasonal decline.

Production of butter during the past winter was unusually heavy. But milk production is not increasing as rapidly as a year earlier, and butter production during the coming summer may be about the same as the record output in the summer of 1938.

Apparent consumption of butter in March was 13 percent larger than in March 1938 and a new high for the month. This increase, however, was due in large part to the distribution of butter for relief. Trade output through regular commercial channels was only 6 percent larger than in the same month of the preceding year. The retail price of butter, however, was down 15 percent. These changes indicate that consumer expenditures for butter were 10 percent lower than in March 1938.

The 1938-39 storage season was not a favorable one for storage operations. The price of butter during the out-of-storage season averaged only 0.4 cents higher than during the into-storage season. This compares with the 10-year average of 3.4 cents. There is some tendency for the into-storage movement to be curtailed following seasons when storage operations have been relatively unprofitable. In the summer of 1938, butter production was high, and a relatively large part of the production was stored. Butter production may be about as large this summer as last. If the percentage of butter stored is about average, there would be an unusually large quantity to be moved into consuming channels during the summer months. The into storage movement, however, will depend to a large extent on the policy followed by governmental agencies with respect to disposal of present holdings and additional purchases.
Receipts of eggs at New York during the past 4 weeks have been 9 percent above receipts in the corresponding weeks last year, and it appears that the peak in receipts this year will come about a month later than last year. This largely accounts for the decline in wholesale egg prices at New York during the latter part of April and early May as compared with the marked rise which occurred last year at that time. The feed-egg ratio, based on Chicago prices during the past 4 weeks, has been 10 percent above last year but continues below the 1928-37 average. Thus the ratio is less favorable to egg production than it was at this time a year earlier.

The average farm laying flock on May 1 was 5 percent larger than last year. While the hens failed slightly to reach the high score in eggs laid per 100 birds on May 1 last year, the total production per flock is up between 4 and 5 percent.

Farm holdings of young chickens on May 1 were about 5 percent larger than last year, indicating that laying flocks may be larger this winter than last. Total April chick production for commercial hatcheries was about 16 percent larger than in April last year and the largest production for any month on record.

Poultry marketings during the remaining months in 1939 are expected to continue larger than in 1938, since there are more chickens on farms this year and this spring's hatch of both turkeys and chickens probably will be larger than last year.

The farm price of chickens during the past several months has been about 2 cents per pound below prices in the same month last year. On April 15 the price was 14.4 cents. Prices received by farmers for eggs of 15.5 cents per dozen on April 15 were about half a cent below prices last month and last year.

FRUITS

Market prices of most fruits have remained fairly stable during the last few weeks and, except for prices of strawberries, are generally unchanged from a month ago. Prices of citrus fruits advanced slightly from early April to early May, but prices of apples declined. Strawberry prices advanced sharply in eastern markets during the same period largely because of the setbacks received by the crop in Maryland and Delaware occasioned by cold, wet weather.

Production of strawberries in the second early, intermediate and first section of late States is indicated to total 7,934,000 crates this year against 6,263,000 crates last year. In most of these States the crop has been delayed by unfavorable weather conditions.

Prospects for 1939 fruit production as of May 1 indicate fair to good crops in most sections of the country. Deficient soil moisture in the Pacific Coast States, and April freezes in some areas of the Central and Southern States, however, have retarded development of the crops.
Production of peaches in the 10 early Southern States is indicated to total 16.2 million bushels or slightly more than was produced last year and 1.7 million bushels more than the 10-year average crop. The set of Clingstone and Freestone varieties in California is reported to be good.

Pear crop prospects in the Pacific Coast States are indicated to be good as are the prospects for grapes in California.

The 1938-39 California Valencia Orange crop is now indicated to be 24.5 million boxes or substantially below earlier forecasts. It is about 4.4 million boxes less than was produced last year and, because of frost injury and small sizes, will provide considerably less fruit for fresh consumption during the summer and early fall months. Citrus prospects from the bloom of 1939 are favorable in California but below those of last year in Florida and Texas because of a deficiency of soil moisture.

**POTATOES**

Market prices of new potatoes declined sharply in recent weeks under the pressure of increased marketings of the new crop from Alabama, Louisiana, South Carolina and California. Prices of old stock advanced to the middle of April but declined later. Marketings of new potatoes are expected to continue to increase in the next few weeks.

Prices of new stock at New York City declined from an average of $4.05 per 100 pounds the first week of April to $2.86 the first week of May. At Chicago the decline was from $4.09 to $2.13. Prices of Maine Green Mountains at New York City advanced from $1.89 to $2.29 per 100-pound sack during the first 3 weeks of April but had declined to $2.05 by the first week of May. At Chicago Russet Burbanks advanced from $1.63 to $1.84 and then declined to $1.54. The decline in new potato prices is about in line with the usual seasonal movement.

Owing to unusually favorable growing weather in recent weeks and despite earlier setbacks, yields of the new crop in the second section of early States are turning out higher than last year. As a result production for this area is indicated to total 19 million bushels this season against 16.9 million bushels last year. The total supply of new potatoes for the States reported to May 1, however, is slightly less than a year earlier, as the first 2 groups had crops substantially smaller than in 1938. May 1 condition for the second early States is reported to be about 14 percent below that of a year earlier while the acreage planted in this area is about 3 percent larger.

Carlot shipments of new potatoes in the first week of May totaled close to 2,800 cars compared with 550 cars a month earlier and were slightly more than in the corresponding week a year earlier. Shipments of old stock declined to 2,150 cars per week in early May against nearly 3,650 cars in early April.
TRUCK CROPS

Preliminary and intended acreages of truck crops for fresh market shipment are larger than at this time last year, but by slightly less than 1 percent. Total indicated tonnage is 2 percent below winter and spring production in 1938. Both acreage and production, however, are 13 percent above the 10-year average, 1928-37. Increases in acreage from last year in asparagus, cantaloupes, lettuce, green peas and watermelons have more than offset substantial reductions in snap beans, cabbage, celery, spinach and tomatoes. Yields have been variable, so that smaller spring crops of cantaloupes and watermelons, and larger crops of snap beans as compared with 1938 are predicted.

Carlot shipments, while at their peak for the year thus far, have been below 1938 in the last 5 weeks, by about 5 percent. Shipments for the first week in May were 23 percent higher than for the first week in April. Motor-truck movement continues heavy, 32 percent of the total shipments of vegetables from Florida in April having moved by truck. Shipments of cabbage, lettuce, Bermuda-type onions, peas and tomatoes have been increasing rapidly as the harvesting season progresses. Some of the cold-weather vegetables are diminishing. Asparagus carlot shipments are about completed, while cantaloupes, watermelons and green corn are just beginning.

Terminal market prices are generally lower than a month ago - lima beans, celery, endive, Bermuda-type onions, peas and peppers leading the way with sharp declines. Cabbage and tomato prices have also fallen, although less sharply. Asparagus prices declined during the month but have recovered somewhat as the heavy shipping season draws to its close. Broccoli and lettuce are the only two vegetables showing a marked rise in the month. Prices of most other crops are near their early-April levels.

Cool, wet weather in April over about two-thirds of the areas devoted to the production of peas for processing delayed plantings by around 2 weeks, but no permanent damage is reported. Intended acreage of green lima beans for processing is 6 percent below 1938 plantings but well above all other years. Stocks of both canned and frozen limas are well above those of 1938.
Business statistics relating to the demand for farm products, specified periods

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NOTES:

1/ Department of Commerce monthly and annual index numbers of "national income paid out", 1929 = 100. (Monthly adjusted for seasonal variation). Comprises the payments to or receipts by individuals in the form of wages, salaries, interest, dividends, entrepreneurial withdrawals, and net rents and royalties, direct relief disbursements, adjusted service payments to veterans (soldiers' bonus) and benefit payments under the Social Security program. Monthly index described in Survey of Current Business, October 1938. Revised October 1938.

2/ Industrial Relations Division of the Agricultural Adjustment Administration, 1924-29 = 100, adjusted for seasonal variation. Veteran bonus payments are included in 1931 and 1936 but are insignificant in other years. Nonagricultural income, without bonus payments, is 86 for 1931 and 88 for 1936. Revised November 1938.

3/ Federal Reserve Board index, 1923-25 = 100, adjusted for seasonal variation.


5/ Bureau of Agricultural Economics, 1924-29 = 100, adjusted for seasonal variation. Includes factory workers, railroad and mining employees. Revised October 1938.

6/ Bureau of Agricultural Economics, 1923-25 = 100, adjusted for seasonal variation. Weighted average of index numbers of industrial production for nine foreign countries - United Kingdom, France, Germany, Italy, Japan, Canada, Belgium, Czechoslovakia, and Poland. Series was revised from January 1920 through July 1935 in July 1937 - and from August 1935 through August 1937 in November 1937.


8/ Bureau of Labor Statistics index, 1913 = 100.

9/ Bureau of Agricultural Economics, August 1909-July 1914 = 100.

10/ Bureau of Agricultural Economics 1910-14 = 100.

11/ Preliminary.