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REVIEW OF THE BUTTER MARKET AT SAN FRANCISCO FOR THE WEEK ENDING

SATURDAY, NOVEMBER 12, 1927.

THE BUTTER MARKET AT SAN FRANCISCO HAS FOLLOWED A STEADY TREND DURING THE WEEK UNDER REVIEW WITH ALL PRICES UNCHANGED. THE SUPPLY OF 92 SCORES OF CURRENT PRODUCTION HAVE CLEARED WELL AND FULL QUALITY 91 SCORES WERE FREQUENTLY MOVED AT PREMIUMS. TRADE HAS BEEN FAIRLY ACTIVE ON THE MEDIUM AND LOWER GRADES WHICH HAS BEEN STIMULATED BY THE EXISTING PRICE RANGE. RECEIPTS FOR THE WEEK INCLUDED A CAR FROM COLORADO AND ONE FROM IDAHO AND SMALLER SHIPMENTS FROM OREGON, NEVADA AND UTAH. ARRIVALS DURING THE WEEK WERE AHEAD OF LAST WEEK'S. WITHDRAWALS FROM STORAGE CONTINUED HEAVIER IN SAN FRANCISCO DURING THE CURRENT WEEK THAN IN THE CORRESPONDING WEEK LAST YEAR. REDUCTIONS OF HOLDINGS IN THE PACIFIC COAST CITIES ALSO CONTINUED AT A MORE RAPID RATE THAN A YEAR AGO, WITH A SHORTAGE OF OVER 345,000 POUNDS REPORTED ON THE MORNING OF NOVEMBER 5TH, 1927.

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REVIEW OF THE BUTTER MARKETS AT NEW YORK, CHICAGO, PHILADELPHIA  
AND BOSTON FOR THE WEEK ENDING SATURDAY, NOVEMBER 12, 1927

EASTERN BUTTER MARKETS FIRM -

BUTTER MARKETS WERE WORKING AT CROSS PURPOSES DURING THE WEEK ENDING NOV. 12TH WITH EASTERN MARKETS FIRM AND THE CHICAGO MARKET NERVOUS AND UNSETTLED. PRICES ON MONDAY ADVANCED  $\frac{1}{2}\phi$  AT NEW YORK, BOSTON AND PHILADELPHIA AND TRADE WAS REPORTED FAIRLY ACTIVE WITH ARRIVALS, ESPECIALLY OF FANCY BUTTER, CLEARING UP QUITE READILY. BUYERS ON THESE MARKETS APPEARED TO GAIN CONFIDENCE AS THE WEEK PROGRESSED IF TRADING IS ANY INDICATION. RECEIVERS GENERALLY REPORTED A RATHER SATISFACTORY WEEK OF BUSINESS AS THEY EXPERIENCED PRACTICALLY NO DIFFICULTY IN DISPOSING OF ARRIVALS EACH DAY, AND IN ADDITION WERE ABLE TO MOVE SOME FANCY STORAGE BUTTER.

CHICAGO MARKET NERVOUS AND UNSETTLED -

AT CHICAGO CONDITIONS WERE ALMOST THE REVERSE OF THOSE WHICH PREVAILED ON THE EASTERN MARKETS. ON MONDAY THE CHICAGO MARKET WAS NO MORE THAN STEADY AT UNCHANGED PRICES AND A NERVOUS AND UNSETTLED UNDERTONE WAS APPARENT IN MOST QUARTERS. A LITTLE SPECULATIVE DEMAND WHICH DEVELOPED ON TUESDAY CAUSED A  $\frac{3}{4}\phi$  ADVANCE ON 92 SCORE GOODS, BUT BUYERS DID NOT TAKE KINDLY TO THE HIGHER PRICE AND A REDUCTION OF  $\frac{3}{4}\phi$  WAS EFFECTED ON THURSDAY. AT THE DECLINE THE MARKET TONE WAS ABOUT STEADY WITH TRADING SLOW. "CENTRALIZED" CAR MARKET AT CHICAGO WAS VERY UNSATISFACTORY THROUGHOUT THE WEEK FROM A SELLER'S VIEWPOINT.

FUTURE TREND UNCERTAIN -

OPERATORS AS A RULE FOUND IT DIFFICULT TO ANTICIPATE FUTURE TRENDS AS FACTORS WHICH INFLUENCE THE MARKETS WERE AT A VARIANCE. IN SPITE OF THE ALMOST IDEAL FALL WEATHER WHICH HAS PREVAILED THROUGHOUT A LARGER PART OF THE BUTTER PRODUCING STATES THE PRODUCTION SHOWS LITTLE IF ANY IMPROVEMENT. CONSUMPTION IN THE MIDDLE WEST APPEARS TO HAVE BEEN AFFECTED SOMEWHAT BY THE HIGH PRICES BUT IN THE EAST OUTLETS APPEARED QUITE SATISFACTORY. THE ONLY CHANGE ON THE DECEMBER AND JANUARY OPTIONS ON THE CHICAGO MERCANTILE EXCHANGE DURING THE FIRST FOUR DAYS OF THE WEEK WAS AN ADVANCE OF  $\frac{1}{8}\phi$  ON THE JANUARY DEAL.

SURPLUS IN STORAGE INCREASES -

THE FACT THAT STORAGE WITHDRAWALS AT THE FOUR MARKETS WERE LESS THAN THOSE OF THE PREVIOUS YEAR HAD A SLIGHTLY BEARISH EFFECT ON THE SITUATION AND TENDED TO OFFSET THE REPORTED LIGHTER MAKE OF BUTTER. THE HOLDINGS OF BUTTER IN STORAGE AT THE FOUR MARKETS ON NOV. 10TH EXCEEDED THOSE OF A YEAR AGO BY 3,427,286 LBS AN INCREASE OF 1,052,929 LBS IN THE SURPLUS SINCE NOV. 1ST. THE SURPLUS IS NOT ONLY INCREASING AT THE FOUR MARKETS BUT ALSO IN THE SIX MARKETS. THE INCREASE IN THE SURPLUS IS TAKING PLACE LARGELY IN THE TEN MARKETS AS THE WITHDRAWALS IN THE INTERIOR WAREHOUSES ARE APPARENTLY EXCEEDING THOSE OF THE PREVIOUS YEAR.

PRODUCTION SITUATION -

THERE IS LITTLE TO SAY REGARDING PRODUCTION EXCEPT THAT IN THE OPINION OF MOST OPERATORS AN INCREASE IS ANTICIPATED IN THE NEAR FUTURE WHEN BATTLE ARE PLACED IN THE BARN ON FULL WINTER RATIONS. ROUGH FEED IS PLENTIFUL AND CHEAP BUT CONCENTRATED FEEDS ARE HIGHER IN PRICE THAN LAST YEAR. WE HEARD REPORTS OF AN EXPECTED INCREASE IN THE MILK FLOW EARLY IN DECEMBER DUE TO AN UNUSUALLY LARGE NUMBER OF COWS FRESHENING AT THAT TIME, ESPECIALLY IN THE SECTIONS WHERE DAIRYING IS THE MAIN ISSUE RATHER THAN A SIDE LINE. THE AMERICAN ASS'N OF CREAMERY BUTTER MFGRS. FOR THE WEEK ENDING NOV. 5TH REPORTED DECREASES OF 10.1% AND 7.09% FROM LAST YEAR AND THE PREVIOUS WEEK. THE LAND O' LAKES CREAMERY INC. FOR THE SAME PERIOD REPORTS AN INCREASE OF 6.531% OVER LAST YEAR AND A DECREASE OF 3.182% FROM THE PREVIOUS WEEK.

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