

Current Information Letter

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AGRICULTURAL EXTENSION DIVISION—PAUL E. MILLER, DIRECTOR
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UNIVERSITY FARM
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FILE UNDER: AGRICULTURAL ECONOMICS - Outlook

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Highlights from U.S.D.A. Situation Reports — By Extension Economists.

(Each month a few of the outstanding items are assembled for your use. Have your clerk go through the original Situation Reports and check the passages referred to, so you can get the context.)

The Demand and Price Situation - April, 1942

General price level p.7 - "Expanded consumer income and declining production of consumption goods for civilian use, together with growing military and lend-lease needs, will continue to exert a strong upward pressure on commodity prices. Although widening price controls and rationing of scarce consumer items will offset in substantial part the effect these conditions otherwise would have on the general price level, the trend is likely to continue upward."

The Fats and Oil Situation - April, 1942

Feed from Canada p.3 - "In early April an arrangement was approved by the President and by the Prime Minister of Canada to increase the production of oil-bearing crops in the United States and of oats, barley, and flaxseed in Canada. Without changing the existing tariffs, this arrangement provides for more effective utilization of the joint agricultural resources of the two countries to meet wartime needs."

The Dairy Situation - April, 1942

Milk production p.7 - "Milk production is now increasing seasonally and on April 1 was 4 percent larger than a year earlier. Production per cow continued 1 percent above last year's record high production, largely as a result of heavier grain feeding. Production per cow was larger than a year earlier in all geographic divisions except the West North Central and Western States."

The Livestock Situation - April, 1942

Pork purchases to be increased p.7 - "Lend-lease purchases of pork and lard are to be increased sharply during the next 3 to 6 months. In early April the Agricultural Marketing Administration issued a request to packers operating under Federal inspection to offer for sale to the Department of Agriculture at least two fifths of their production of pork cuts and canned pork, and two thirds of their production of lard. With consumer demand for meats the strongest in many years, prices of hog products probably will remain at or near the maximum prices permitted under ceiling orders."

Cattle on feed p.11 - "The proportion of cattle on feed longer than 3 months probably was about as large on April 1 as a year earlier. This information, together with marketing intentions reported by cattle feeders, indicates that the monthly supply of fed cattle during the next 4 or 5 months may be about the same this year as last. This is in contrast with earlier indications which pointed to a fairly large reduction in the number of well-finished cattle to be marketed during the coming spring and summer."

The Poultry and Egg Situation - April, 1942

Hens now p.4 - "Unusually large number of pullets were added to laying flocks after January 1 this year and as a result the number of layers on farms declined less than seasonally and much less than a year earlier. In March the number of layers on farms of the United States was about 12.5 percent larger than in March 1941."

Hens next year p.6 - "As a result of a 6 to 10 percent increase in the number of chickens likely to be raised on farms this year compared with 1941, the number of layers on farms at the beginning of 1943 probably will be about 5 percent larger than in early 1942."

More turkeys p.9 - "The strong demand for turkey poults indicates that farmers are going ahead with their plans for expanding turkey production. In early February farmers indicated they intended to start 8 percent more poults this year than last. In the month of March, 87 hatcheries in the United States produced 38 percent more poults and set 16 percent more turkey eggs. Advance orders also were larger than on April 1, 1941. Although the increase over a year earlier may be smaller from now on than it has been so far, it is likely that from 6 to 10 percent more turkeys will be raised this year than were raised in 1941. This would result in the largest domestic supply of turkey on record."

The Feed Situation - April, 1942

Corn supplies p.8 - "Present indications are that the United States carryover of corn next October 1 will be about 500 to 550 million bushels. This compares with a carryover of 646 million bushels last year and a 1928-32 average carryover of 163 million bushels." (See Table 57, U.S.D.A., Agricultural Statistics, 1941, for Oct. 1 corn carryover, 1926-1940.)

Prospective supplies and disappearance in 1942-43 p.9 - "Increasing production of livestock and livestock products during the next year or so will mean a larger disappearance of feed grains. This may be met in part by increased purchases of Government wheat for livestock feeding and some increase in imports of oats and barley from Canada. Production of high-protein feeds is expected to be somewhat larger per animal than in other recent years. But even with allowance for these increases in feed supplies, it now appears probable that the 1942 production of feed grains will not meet 1942-43 requirements, and there probably will be a reduction in the total carryover of feed grains during 1942-43."