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# 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

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

## The Demand and Price Situation - June, 1943

Taxes - bonds, pp.3-4--Government taxing and borrowing policies are helping to channel off part of the excess purchasing power represented by increased consumer income. During the first 5 months of 1943, personal taxes (income and Victory) amounted to about 3 billion dollars. The total of such taxes during the 7-month period June-December 1943, with collections on a current basis beginning with July, may approximate 10 billion dollars -- a monthly rate more than double that prior to June. -----The goal of War Bond sales to nonbanking sources which has been officially mentioned is 18 billion dollars during the last 7 months of 1943. This goal compares with 6 billion dollars in bonds sold during the first 4 months -- an average increase of approximately 1 billion dollars per month.

## The Livestock and Wool Situation - June, 1943

Lard Yields, p. 11--Despite the exceptionally heavy average weights of hogs slaughtered in recent months, percentage lard yields have been substantially less than in earlier years. This has been due in part at least to leaving a greater than usual amount of fat upon pork cuts where the fat frequently is wasted. This in turn has tended to reduce lard production at a time when all fats are greatly needed.

Beef for the armed forces, p. 13--Because Government procurement agencies have been unable to purchase adequate supplies of beef to meet their urgent requirements, all livestock slaughterers operating under Federal inspection will be required, effective June 14, to set aside 45 per cent of all the steer and heifer beef they produce which meets Army specifications. This quantity of beef required by the armed forces is equivalent to a little less than 30 per cent of the production under Federal inspection and roughly 20 per cent of the total beef production from all slaughter.

## The Dairy Situation - June, 1943

More milk powder needed, p. 8--With requirements for dried skim milk during the next year far exceeding expected production, the War Food Administration recently issued Food Distribution Order 54 requiring manufacturers to set aside 75 per cent of their monthly production of both roller and spray-process dried skim milk during June and July for Government purchase. Set-aside percentages for later months will be announced by the Director of Food Distribution. This is the first time a set-aside order has been issued for roller-process dried skim milk.

The Wheat Situation - June, 1943

Wheat, p. 2 and other pages--Summary: U. S. carry over July 1, 1942, 632 million; July 1, 1943, about 590 million bushels; July 1, 1944, estimated at 250 million; 10 year av. 1932-41, 235 million. Total wheat supply July 1, 1943 of United States, Canada, Argentina, and Australia, about 1,780 million bushels (of this, about 700 million is in Canada). Production in these 4 countries (4 year av. 1939-42) U. S. 874 million, Canada 509 million, Argentina 222 million, Australia 152 million. Production estimated for 1943: U. S. 731 million, Canada 300 million.

The Marketing and Transportation Situation - June, 1943

Compressed food, p. 5--Overseas shipments of compressed foods are increasing and within 6 months should represent a substantial share of total food shipments, says the War Food Administration. Compressing of foods, particularly those which have been dehydrated, is being expedited by the Food Distribution Administration to help meet the increasing pressure on shipping, warehousing, dock facilities, and inland transportation at destination points. High compression is achieved through a food press. This is not yet being done on a commercial basis, but is planned for the immediate future.

Potatoes, p. 6--With large supplies of new crop potatoes coming into markets, the War Food Administration assures producers that it intends to provide full support to the potato market through purchase operations. Before the end of June, purchases were already under way in North Carolina, Texas, Oklahoma, and Arkansas, and will be extended to other areas if necessary. The potatoes are being purchased at prices announced last February, as equivalent to about 92 per cent of parity. The WFA also will seek to divert shipments to areas that are not receiving their share of the supply. Potatoes are now coming to market in abundance and production in the southern producing regions is running about 35 per cent larger than a year earlier. (But bear in mind that "early" and "intermediate" areas produce only about 20 per cent of the total annual crop - SBC)

The National Food Situation - June, 1943

Fruit Supply, p. 3--Citrus supplies for civilians may be as large in 1943-44 as in 1942-43 and apple supplies almost as large, but the supply of all other deciduous fruits for fresh use may be only two-thirds to three-fourths as large. It is probable that the total supply of all canned fruits and fruit juices for civilian consumption in the 1943-44 season will be no more than three-fourths of the supply last season. In contrast to the indicated smaller supplies of fresh and canned fruits, dried fruit production in 1943 probably will exceed that of 1942.

Poultry and Egg Situation - June, 1943

Chicken Sales, p. 9--With numbers of young chickens on farms June 1 about 15 per cent larger than a year ago, and with the strong demand for baby chicks continuing unusually strong, record marketings of young stock are in prospect for the second half of 1943. Sales of fowl during the remainder of the year also probably will be larger than a year earlier, because ample replacement stock will be available from this year's crop of young pullets.-----In some localities dressing and packing facilities may be overtaxed temporarily, and some depression of prices may result, especially if unfavorable weather or other conditions cause an abnormally heavy flow of poultry.