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Current Information Letter

For the Information of County Extension Agents and Extension Workers Only
AGRICULTURAL EXTENSION DIVISION—PAUL E. MILLER, DIRECTOR

File for Future Reference—Complete Index Will Be Furnished Annually

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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 - November, 1942

Summary, p.2--Continued expansion in industrial activity and in consumer income during the next few months is expected to increase further domestic demand for farm products. Also, military and lend-lease needs are expected to increase. This rise in aggregate demand will continue to exert pressure on farm product prices all along the line--at the farm and in wholesale, and retail markets. The effects of this upward pressure on the general price level will be offset, at least in part, by governmental controls over wholesale and retail prices. These controls now apply to around 90 per cent of foods, nearly all processed nonfood commodities and many non-professional services. The fact that price ceilings generally do not apply directly to prices received by farmers for the products they sell, results in more flexibility in farm, than in wholesale and retail markets.

The Dairy Situation - November, 1942

Milk, p.3--Total requirements for milk on the basis of prospective consumer demand at ceiling prices and military and lend-lease needs will be materially larger in 1943 than in 1942. Supplies of milk, on the other hand, probably will be smaller. Restrictions on civilian consumption are likely to be needed in the near future to insure adequate supplies for military and lend-lease purposes.

Spray process powder, pp.3,4,6--Effective November 3 manufacturers will be required to set aside at least 90 per cent of the spray-dried skim milk produced by them for delivery to the Agricultural Marketing Administration, our armed forces, and other designated governmental agencies. Spray-process dried skim milk is urgently needed for lend-lease and military use for reconstitution with water for drinking purposes.....In September spray-process dried skim milk made up over 60 per cent of the total production of dried skim milk for human consumption.

The Fats and Oils Situation - November, 1942

Food fats and oils, p.3--Strengthening of demand for food fats and oils was evident in October. The price of refined cottonseed oil rose throughout the month, and early in November it reached the ceiling level for the first time since May. Stocks of lard are now abnormally low, while butter stocks have been declining more than seasonally. Prompt delivery of most vegetable oils has become difficult to obtain.

Butter, p.8--A declining trend in butter production has become apparent in recent weeks. If continued, it will result in a smaller production of butter in 1943 than in 1942, rather than a larger one as anticipated earlier. This trend is a

result not only of difficulties in maintaining milk production but also of a growing consumer demand for fluid milk and cream and for ice cream, and large military and lend-lease requirements for dairy products.

The Livestock and Wool Situation - November, 1942

Hogs, pp.3,5--Record marketings probably will occur in December, but the peak in the winter hog movement now is not expected until after the first of the year.

The Agricultural Marketing Administration recently has completed plans for the regulation of hog marketings if such action becomes necessary in order to prevent congested marketing conditions this winter.

Cattle, pp.3,4--Shipments of feeder cattle into the Corn Belt have been substantially larger this fall than last. It appears that the total number of cattle fed in the 1942-43 feeding season will be at least as large as a year earlier.

Cattle slaughter has increased sharply since late summer, with cows and heifers accounting for a greater than usual proportion of the total slaughter. Some markets have reported the largest runs of grassy cows and heifers since 1934.

Sheep, p.4--Although the 1942 lamb crop was 2 per cent smaller than a year earlier, sheep and lamb slaughter in the 6 months from May to October was about 19 per cent greater than in that period last year. A large part of this increase was due to heavy marketings of mature sheep.

The Feed Situation - November, 1942

High protein feeds, p.3--Production of oil cake and meal in 1942-43 is now expected to be about 2.5 million tons larger than the 1941-42 production of 4.6 million tons. Demand for these feeds is much stronger this year than last because of increased livestock numbers, higher livestock prices, and limited supplies of other protein supplements. Feed mixers in the Corn Belt are buying much of the soybean and linseed cake and meal, leaving little available for wholesale markets.

Corn crop, p.3--The 1942 corn crop was estimated November 1 to be 3,185 million bushels, 53 million bushels larger than that indicated October 1 and 513 million bushels larger than 1941 production.

Feed wheat, p.6--Sales of wheat through the Government feed-wheat program totaled about 35 million bushels in the period July-October. Sales have averaged a little over 2 million bushels weekly during the past 2 months.

Feed needs, p.7--Hogs and poultry in 1942-43 will require much more grain than in 1941-42, but other classes of livestock will require only slightly more. About 25 million bushels more corn may be needed for industrial purposes and food. The 1942 feed-grain crops, along with more wheat available for feeding, appear to be more than adequate to take care of the larger requirements.

Future Issues

Should this monthly Outlook sheet be continued? Last month's issue carried a request that each agent write Director Miller whether or not to continue. Fifteen agents responded. Will the others please write.

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