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Weekly Review for MINNESOTA

AGRICULTURAL EXTENSION SERVICE

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ST. PAUL CAMPUS LIBRARIES

University Farm, St. Paul 1 December 5 1946

CORN LOAN RATE. National average corn loan rates will be \$1.15 per bushel compared with \$1.01 last year. The county range will run from \$1.05 to \$1.34, based on 90 percent of a national average corn parity price of \$1.28 as of October 1. Mixed grade corn takes a rate two cents lower per bushel and corn eligible for loans must grade No. 3 or better, except for moisture content, or No. 4 on test weight only. Loans are available from Dec. 1 through July 31, 1947, and demand notes will be issued to mature not later than Sept. 1, 1947.

CROP INSURANCE DATA. Crop insurance under the Federal Crop Insurance Corporation plan was in effect during 1946 as follows: 384,408 farms for wheat coverage; 14,003 for flax; 8,593 farms in 19 trial counties for corn; 14,170 farms in 19 trial counties for tobacco; and 136,248 farms for cotton.

Estimated premiums earned under 1946 programs are 8,100,000 bushels of wheat, 42 million pounds of cotton, 165,900 bushels of flax, and 193,300 bushels of corn. On the basis of June 30, 1946 prices, the Corporation had insurance in force on 1946 crops valued at about \$280 millions. It is believed that there may be an increase of about 65 percent in the number of farms covered by Federal crop insurance in 1947 over that now in effect.

AGRICULTURAL PRICES. Sharp declines in prices received by farmers for cotton, corn, and poultry products lowered the general price level of farm products 3.7% from mid-October to mid-November, the Bureau of Agricultural Economics announced. At 263% of the 1909-14 average, the index of prices received by farmers is 10 points lower than a month ago. These declines were partially offset by sharp increases in prices received for oil-bearing crops and dry beans.

Parity prices for farm products continued their advance into new high ground as the result of a 2.4% increase in the index of prices paid, interest, and taxes to 212% of its 1910-14 average. Reflecting the decline in prices received by farmers and the increase in prices of things they buy, the parity ratio decreased 8 points, or 6.1%, during the month, but at 124 is 7 points higher than a year ago.

With ceilings now removed from nearly all agricultural commodities, prices received by farmers are 84% higher than at the time the U.S. entered World War II, and 29% higher than on V-J Day.

Prices of livestock and livestock products have increased strikingly since V-J Day. Whereas the general level of these prices decreased 4%, from Nov. 15, 1919, to Feb. 15, 1920, this index increased 43% after V-J Day, from 206 on Aug. 15, 1945 to 294 on Nov. 15, 1946.

Upturns in prices paid by farmers for commodities used for living again led the advance of rural retail prices as ceilings were removed from nearly all commodities during the month ended Nov. 15. At 224% of its 1910-14 average, the index of prices paid by farmers for all commodities reached a new record high, 2.8% up from a month earlier, 23% over a year ago, 24% higher than on V-J Day in August 1945, and 59% above the rural retail price level in November, 1941 just before the U. S. entered World War II.

REDUCED CULLING, MORE MILK PER COW IS KEY TO GOAL. Taking reasonable needs and foreseen production capacity in 1947, the dairy goals handbook now being thumbed over afield hints at a likely gap between what is apt to be produced plus stocks on hand, and the expected requirements from consumers, amounting to 5.3 billion pounds.

The farm milk production goal set for 1947 is 120 billion pounds, compared with 120.8 billions established this year, which we may or may not reach. This is the balance of the dairy ledger as now announced:

The Supply	(billions of pounds)	The Demand	
Farm production goal	120.0	Domestic	118.5
Production off farms	2.8	Military	1.9
Stocks at beginning	2.1	Foreign shipment	3.6
Imports	.2	Minimum working stock	3.1
	125.1	Fed to calves	3.2
			130.4

It is believed that even this lower goal cannot be reached without a general campaign of real proportions aimed at (1) halting the sharp decline in cow numbers through culling, and (2) getting a better average per cow production.

To get an idea of how much faster culling has been done lately, USDA economists have furnished figures for the handbook. In the years 1937-41 the average annual herd reduction was a bit over 19 cows to each 100. In 1944 the rate was 22.4 cows and in 1945, 25.5 cows per 100—the same rate holding for 1946 probably. In 1945 this meant an elimination of about 7 million cows from death, slaughter and sale. Obviously a reduced disease toll would ease this herd loss, as would better feeding for better production in saving some culling.

TRIBUTE PAID TO FIRST COW-TESTING GROUP. Speaking on December 2 in Fremont, Mich., the birthplace of the first cow-testing association in the U. S., O. E. Reed, Chief of the Department of Agriculture's Bureau of Dairy Industry, paid tribute to 31 dairymen who 40 years ago laid the foundation for the present Nation-wide dairy herd improvement program. Nearly 25,000 dairy farmers, following the example of the pioneering group in Michigan, now belong to 1,124 local cooperative testing associations in 44 States. In 1945, the average production of the 628,000 association cows was 8,592 pounds of milk and 346 pounds of butterfat per cow per year, whereas the average for all cows in the U. S. was 4,789 pounds of milk and 190 pounds of butterfat.

THE POULTRY AND EGG SITUATION. Farmers received record high prices for chickens and turkeys on Oct. 15. Egg prices were above those for any month since February 1921. It is not likely that prices will reach these peaks again within the next few years. Egg prices are expected to remain near support levels (90% of parity) through the first half of 1947. If the rise in the index of prices paid by farmers in recent months is maintained, 90% of parity in the first half of 1947 will be above actual prices in the first half of 1946. Foreign demand is uncertain although it is expected to be smaller than during 1946. Some purchases may be necessary for price-support purposes, depending on the size of export. Chicken and turkey prices may increase in the next few months because of seasonally smaller poultry supplies, a high level of consumer purchasing power and high meat prices. Chicken meat production in 1947 is expected to be about the same as in 1946.