

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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Vol. IV (Serial)
(No. 179)

Minneapolis, Minnesota

November 29, 1929

DISTRICT SUMMARY OF BUSINESS

Due to the early marketing of wheat supplies in the Northwest this fall, October business records did not contain the usual share of the autumn grain business. The early marketing movement is best illustrated by a comparative statement of wheat receipts at Minneapolis and Duluth-Superior from the Northwest during the past four months. These figures are given in the table below, and exclude southwestern wheat. It will be noted that in July and August receipts were much heavier during the current year than a year ago, but that in September and October wheat receipts have been running far behind last year's volume.

Net Wheat Receipts at Minneapolis and Duluth-Superior July-October, 1928 and 1929 (000's omitted)

	1928	1929
July	3,602	12,140
August	14,135	30,839
September	46,639	25,656
October	52,363	17,071

The large volume of wheat receipts in July and August is explained by the heavy carry-over of grain from last year's crop, which was marketed in the early weeks of the current crop year, by the greater use of combine harvesters and by the favorable harvesting weather. Since the 1929 crop was smaller than the crop a year ago, it was to be expected that wheat marketings would fall off relative to last year's marketings during the later months of the crop year.

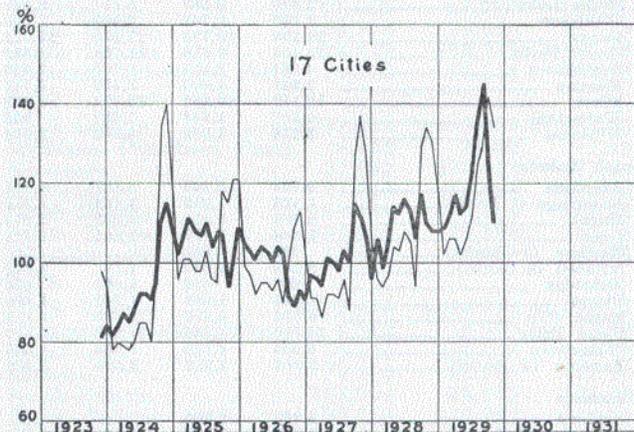
The effect of early marketing on business this fall has been evident in such records as debits to individual accounts, freight carloadings and country check clearings. Debits to individual accounts have been larger each month this fall than in the same month a year ago, but the percentage of increase has been steadily shrinking to a negligible figure in October. To state the same trend in another way, fifty-eight cities out of sixty-nine reporting cities experienced increases in individual debits during August as compared with August last year; forty-nine cities experienced increases in September and forty-two cities experienced increases in October. The cities reporting increases in individual debits in

October were chiefly those cities in the mixed farming sections of this district.

Daily Averages of Debits to Individual Accounts Shown as Percentages of the Corresponding Periods in 1928

	First Quar.	Sec. Quar.	Third Quar.	Sept. 1929	Oct. 1929
Duluth	105	90	127	90	69
Minneapolis	114	100	128	122	108
St. Paul	104	103	110	106	104
South St. Paul	97	110	102	94	103
Rural Minnesota...	104	105	111	114	111
Montana	115	116	124	113	94
No. Michigan	115	109	107	106	104
North Dakota	115	111	105	106	93
South Dakota	110	108	108	101	105
N. W. Wisconsin ..	107	113	109	101	94
Ninth District	110	103	120	111	100

The country check clearings index declined 7 per cent in October as compared with October last year, with the largest decrease occurring in the figures for North Dakota and South Dakota combined. Carloadings of freight in the Northwestern district were 5 per cent smaller than in the corresponding month a year ago. The decrease in carloadings was chiefly due to a decrease of 31 per cent in carloadings of grains and grain products.



Debits to Individual Accounts in Seventeen Cities in the Ninth Federal Reserve District. The heavy curve represents figures adjusted to eliminate seasonal changes; the light curve represents unadjusted figures as percentages of the average month.

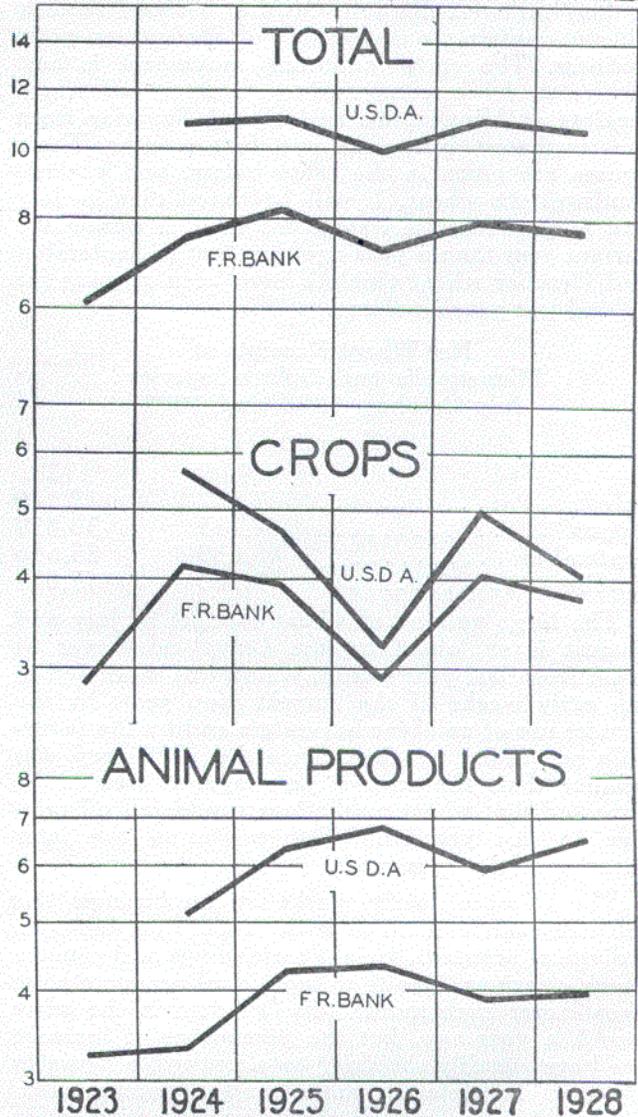
DEBITS TO INDIVIDUAL ACCOUNTS IN THE NINTH FEDERAL RESERVE DISTRICT (October 1929, with comparisons)

Number of Business Days:	October 1929	September 1929	October 1928	September 1928
Montana and North Dakota.....	26	24	26	24
Other States in District.....	27	24	27	24
	(000's omitted)			
Michigan				
Escanaba (1 Bank).....	\$ 996	\$ 1,196	\$ 1,043	\$ 1,036
Hancock.....	2,107	1,998	2,568	2,348
Houghton (1 Bank).....	771	796	.....	.....
Iron Mountain.....	4,626	4,700	4,273	4,381
Iron River, Caspian, Stambaugh.....	1,825	2,048	1,574	1,881
Manistique (1 Bank).....	524	613	.....	.....
Marquette.....	6,228	5,472	6,062	5,176
Menominee.....	3,575	3,727	3,331	3,461
Sault Ste. Marie.....	3,516	3,663	3,171	3,144
Minnesota				
Albert Lea.....	3,538	2,535	2,506	2,158
Austin (2 Banks).....	4,874	3,722	4,732	3,236
Benson (1 Bank).....	792	724	449	361
Chaska.....	759	623	652	492
Chisholm.....	914	850	788	701
Cloquet.....	2,659	2,440	2,474	1,753
Crookston (1 Bank).....	1,533	1,317	1,432	1,009
Detroit Lakes.....	1,141	1,054	.....	.....
Duluth.....	113,133	115,320	163,279	128,135
Ely.....	740	714	671	626
Glenwood.....	555	474	568	505
Hutchinson.....	1,545	1,241	1,475	1,132
Little Falls.....	1,320	1,260	1,134	815
Mankato.....	7,895	7,408	7,400	6,785
Minneapolis.....	613,652	602,647	567,042	494,194
Morris.....	823	714	771	652
Owatonna (1 Bank).....	1,553	1,287	1,446	1,115
Park Rapids.....	527	483	602	508
Red Wing.....	2,908	2,610	2,692	2,381
Rochester.....	7,007	6,935	7,258	6,527
St. Cloud (1 Bank).....	480	427	453	375
St. Paul.....	211,192	188,224	203,685	178,369
South St. Paul.....	47,499	34,601	45,892	36,834
Stillwater.....	4,064	3,198	.....	.....
Thief River Falls.....	1,289	1,156	987	814
Virginia.....	2,463	2,792	.....	.....
Wabasha.....	972	814	937	811
Wadena.....	1,471	1,222	1,347	1,130
Wheaton.....	706	652	.....	.....
Willmar.....	2,235	951	.....	.....
Winona.....	9,193	7,884	9,097	7,407
Worthington (1 Bank).....	977	885	896	915
Montana				
Billings.....	14,523	11,156	15,232	10,699
Bozeman.....	3,499	2,917	3,500	2,924
Butte (2 Banks).....	15,715	15,617	14,817	13,044
Deer Lodge.....	1,405	1,228	1,478	977
Glendive.....	1,398	1,464	2,452	1,447
Great Falls.....	24,937	25,488	26,259	19,914
Helena.....	12,263	10,702	13,885	10,170
Lewistown.....	3,808	3,315	4,849	3,653
Miles City (1 Bank).....	3,636	2,816	4,290	3,277
North Dakota				
Bismarek.....	6,442	4,909	5,866	4,568
Devils Lake.....	2,820	2,592	3,117	2,421
Dickinson.....	2,038	1,780	2,357	1,640
Fargo.....	24,590	19,788	27,219	20,028
Grand Forks.....	10,654	9,618	12,769	9,932
Jamestown.....	4,052	3,373	3,705	3,560
Mandan.....	2,341	1,834	2,526	1,742
Minot.....	12,117	10,883	13,424	8,852
Wahpeton.....	1,507	1,248	1,387	942
Williston.....	3,353	3,218	3,103	2,064
South Dakota				
Aberdeen.....	8,784	8,240	9,382	8,711
Brookings (1 Bank).....	1,486	1,355	1,544	1,316
Huron.....	6,476	5,671	6,357	5,970
Lead.....	1,406	1,417	1,401	1,311
Madison (1 Bank).....	999	932	.....	.....
Mitchell (2 Banks).....	5,143	4,630	4,792	4,332
Mobridge.....	898	946	1,069	924
Pierre.....	1,646	1,443	1,747	1,460
Rapid City.....	6,176	4,615	6,985	5,615
Sioux Falls.....	24,710	21,459	21,698	19,892
Watertown.....	5,664	4,923	4,850	4,365
Yankton (4 Banks).....	2,918	2,328	2,530	2,402
Wisconsin				
Ashland.....	1,237	2,500	.....	.....
Chippewa Falls.....	3,077	2,630	2,947	2,702
Eau Claire.....	8,681	8,290	.....	.....
Hudson.....	658	636	616	709
La Crosse.....	14,532	12,897	14,195	13,059
Merrill (1 Bank).....	1,586	1,537	1,604	1,307
Superior.....	9,470	10,189	11,946	9,999
Total for all Cities Reporting				
Both Years.....	\$1,311,136	\$1,282,037	\$1,308,635	\$1,108,306

Increases in carloadings were recorded for live stock, coke and miscellaneous freight. Decreases, as compared with October last year, were reported for building permits and contracts, flour production and shipments, linseed products shipments, department store sales, wholesale trade, copper production and iron ore shipments. Postal receipts at six of the large cities in the district and sales of securities increased. Business failures continued to be fewer in number than a year ago.

During the three weeks ending November 20, debits to individual accounts at seventeen cities increased 13 per cent over the corresponding weeks last year. In the first fifteen business days of No-

FARMERS' CASH INCOME



Farmers' Cash Income Estimates for the Ninth Federal Reserve District, 1924-28. A comparison of the United States Department of Agriculture estimates, as compiled from state totals by the Federal Reserve Board, and the annual totals of monthly estimates made by the Federal Reserve Bank of Minneapolis. (Scale in hundred millions.)

ember, country check clearings decreased 10 per cent from the volume in the corresponding days last year. The daily average of building contracts awarded in the Northwest during the first thirteen business days of November was \$690,000 as compared with \$230,600 which was the daily average for November, 1928.

DISTRICT SUMMARY OF AGRICULTURE

Farm income from cash crops and hogs marketed during October was 45 per cent smaller than the income from these sources in October last year. Potatoes showed the only increase in the income from these commodities. The value of dairy products marketed in September was 16 per cent less than the value of dairy products marketed in September last year. Prices of wheat, oats, rye, flax, eggs, potatoes, butcher steers and hogs were higher in October than a year ago, while prices of corn, barley, hens, butter, fluid milk, feeder steers, veal calves and lambs were lower.

The total farm mortgage debt of Minnesota, North Dakota, South Dakota and Montana has recently been estimated by the United States Department of Agriculture at \$1,255,711,000 on January 1, 1928. This represented a decrease of about 7 million dollars from the total estimated for January 1, 1925, but an increase of 98 million dollars, as compared with the estimate for January 1, 1920. From these figures, it appears that in the three years since the beginning of 1925, farm mortgage indebtedness decreased in Montana and South Dakota and increased in Minnesota and North Dakota. During the eight years since the beginning of 1920, farm mortgage indebtedness decreased in North Dakota and Montana and increased in Minnesota and South Dakota.

Estimated Total Farm Mortgage Debt in Minnesota, North Dakota, South Dakota and Montana 1920, 1925 and 1928

Source: Crops and Markets, October 1929 and Year Book of U. S. Department of Agriculture, 1924

	January 1, 1920	January 1, 1925	January 1, 1928
Minnesota	\$455,500,000	\$556,436,000	\$560,968,000
North Dakota	267,800,000	226,466,000	230,016,000
South Dakota	278,900,000	371,162,000	370,150,000
Montana	154,900,000	108,398,000	94,577,000
Four States	1,157,100,000	1,262,462,000	1,255,711,000

The United States Department of Agriculture has recently published estimates of cash income from crops and animal products for each state in the United States. These figures have been combined into Federal reserve district totals by the Federal Reserve Board's Division of Research and Statistics. To accomplish this result, it was necessary to divide the farm income of the states lying in two Federal reserve districts. This division was made on the basis of information published in the 1925 Census of Agriculture. The statistics for the Ninth Federal Reserve District indicate that farmers have an average annual cash income of slightly more

than 1 billion dollars, divided into three-fifths from animals and animal products and two-fifths from crops.

These new estimates of farm income, which are the most comprehensive so far prepared, afford an interesting opportunity to check the trends in farm income as illustrated by the monthly estimates prepared in our office. Annual totals of these monthly figures have been charted with the new Department of Agriculture annual estimates for the Ninth Federal Reserve District in the accompanying semi-logarithmic chart. In spite of great differences in the method of computation of the two series and the fact that our monthly series include a smaller group of commodities amounting to about three-fourths of the total farm income of the district, the trends in farm income shown by the two series are much alike.

ESTIMATED CASH INCOME FROM FARM PRODUCTION IN THE NINTH FEDERAL RESERVE DISTRICT 1924-1928

(000's omitted)

	Crops	Animal Products	Total
1924			
Ninth District	\$565,755	\$513,442	\$1,079,197
Michigan (Northern Part)	5,307	7,156	12,463
Minnesota	153,298	226,385	379,683
Montana	72,028	49,017	121,045
North Dakota	226,786	53,142	279,928
South Dakota	95,541	122,294	217,835
Wisconsin (Northern Part)	12,795	55,448	68,243
1925			
Ninth District	\$468,098	\$633,534	\$1,101,632
Michigan (Northern Part)	5,237	7,593	12,830
Minnesota	135,989	276,248	412,237
Montana	57,724	60,935	118,659
North Dakota	181,959	68,923	250,882
South Dakota	70,717	156,138	226,855
Wisconsin (Northern Part)	16,472	63,697	80,169
1926			
Ninth District	\$321,232	\$677,937	\$999,169
Michigan (Northern Part)	4,723	8,149	12,872
Minnesota	105,622	296,053	401,675
Montana	61,468	67,850	129,318
North Dakota	108,373	76,858	185,231
South Dakota	26,474	158,713	185,187
Wisconsin (Northern Part)	14,572	70,314	84,886
1927			
Ninth District	\$499,235	\$595,871	\$1,095,106
Michigan (Northern Part)	4,452	8,160	12,612
Minnesota	97,132	274,913	372,045
Montana	97,124	53,864	150,988
North Dakota	183,569	62,466	246,035
South Dakota	103,988	123,184	227,172
Wisconsin (Northern Part)	12,970	73,284	86,254
1928			
Ninth District	\$402,450	\$656,777	\$1,059,227
Michigan (Northern Part)	4,515	8,388	12,903
Minnesota	98,107	296,876	394,983
Montana	74,120	68,384	142,504
North Dakota	153,994	68,377	222,371
South Dakota	59,519	143,307	202,826
Wisconsin (Northern Part)	12,195	71,445	83,640

Valuable information concerning the earnings and expenses of dairy farmers in Minnesota has recently been published by the Agricultural Extension Divi-

sion of the University of Minnesota. From records of one hundred and twenty-four farmers in six southern Minnesota counties during the year 1928, a detailed statement of the typical income and outlay of a dairy farmer has been tabulated. The dairy farms averaged one hundred and sixty-three acres in size, which was only one-half of the acreage of the average west north central farm, as indicated by figures of the United States Department of Agriculture. The earnings of the dairy farmers whose records were used were somewhat higher than the average earnings of all farmers in southern Minnesota. However, earnings varied widely on reporting farms and the efficiency of reporting farmers ranged from poor to excellent.

Cash income of the average reporting dairy farmer amounted to \$4,465 in 1928. Slightly more than one-third of this income was realized from the sale of dairy products which yielded \$1,649. Next in importance was the income from hogs amounting to \$1,041. Poultry and eggs yielded \$414. Sales of cows and other cattle yielded \$728. It is thus apparent that the dairy farmer has several major sources of income, chiefly from live stock and poultry and their products. It is also interesting to note that this income is not concentrated in one or two months of the year.

The cash expense of the dairy farmer was \$2,266 in 1928. This expense was slightly larger than usual, owing to an abnormal outlay for feed, since the 1927 crop was poor in southern Minnesota. Expenditures for machinery and equipment constituted nearly one-fourth of the farmer's outlay, including expense of operation of tractor, truck, automobile, gas engine, light plant and other machinery and equipment. This expense amounted to \$520. Feed for live stock cost \$505. Taxes, rent, interest and insurance, which represent the fixed charges of the farmer's business, cost \$285. Hired labor amounted to \$252. Crop expenditures were \$172.

The net balance of cash income, after paying cash expenses, was \$2,199 which was available to the farmer for the cash living expenses on the farm, for investment or for other non-farming purposes.

In addition to the cash income and expenses, it was estimated by the university investigators that the average reporting farmer's net inventory increased \$387 during the year. Also, farm produce used by the farmer's family was worth \$322, representing an amount which the family would have been forced to pay for vegetables, cream and similar items if they had not been available from farm production. These non-cash income items totaled \$709, against which should be offset the board furnished to hired labor which was estimated to cost \$95.

From the above tabulation, the university report arrives at a net income per farmer (cash and non-cash combined) of \$2,813. The university report estimates the portions of this income which were derived from the farmer's investment, from the un-

paid labor of the farmer's family and from the farmer's own labor. The average reporting farmer's own labor earnings were estimated at \$1,277.

The university report showed that in dairy farming there is a very definite relationship between farming efficiency and farm income. Each farm was rated according to seven factors of efficiency, which were as follows:

1. Size of business.
2. Amount of productive live stock.
3. Crop yields.
4. Pounds of butterfat per cow.
5. Efficient live stock feeding.
6. Labor efficiency.
7. Power and equipment efficiency.

Under this rating system, it was found that two farms which were above the average efficiency in all seven factors made average earnings for the labor of the farmer of \$3,011. At the other end of the scale, seven farms which were below the average in all of the factors of efficiency showed a net loss of \$244 as the return for the labor of the farmer. The effects of varying degrees of efficiency on income from dairy farming are shown in the table below:

Effect of Well-Balanced Business on Farm Earnings in Southeastern Minnesota

No. of Factors above the Average	No. of Farms in each Group	Average Labor Earnings
7	2	\$3,011
6	7	2,190
5	26	1,792
4	32	1,413
3	23	1,159
2	13	874
1	14	634
0	7	—244

AVERAGE EARNINGS AND EXPENSES OF REPORTING FARMERS ON SOUTHEASTERN MINNESOTA DAIRY FARMS IN 1928

Cash Receipts—

Horses	\$ 33.00
Cows	353.00
Dairy Products	1,649.00
Other Cattle (young cattle and bull) ..	375.00
Sheep	45.00
Hogs	1,041.00
Poultry	142.00
Eggs	272.00
Small Grain	215.00
Corn	29.00
Hay	28.00
Other Crops	85.00
Miscellaneous	81.00
Outside	117.00

Total Cash Receipts.....\$4,465.00

Cash Expenses—

Light Plant or Bill.....	\$ 32.00
Tractor (new and expense).....	94.00
Truck (new and expense).....	29.00
Automobile (new and expense).....	127.00
Gas Engine (new and expense).....	14.00
Machinery and Equipment (new)....	150.00
Machinery and Equipment (repairs)..	74.00
Building, Fences, Tiling, etc. (new)..	94.00
Building, Fences, Tiling, etc. (repairs)	54.00
Hired Labor.....	252.00
All Feed for Live Stock.....	505.00
Other Expenses for Live Stock.....	59.00
Horses Bought.....	44.00
Cows Bought.....	79.00
Other Cattle Bought (young cattle and bull).....	63.00
Hogs Bought.....	69.00
Poultry Bought.....	35.00
Sheep Bought.....	5.00
Crop Expense (seed, twine, spray, etc.)	172.00
Taxes, Rent, Interest and Insurance..	285.00
General Farm Expense.....	30.00

Total Cash Expenses.....\$2,266.00

Net Cash Income from Farm Operations.....\$2,199.00

Non-Cash Income—

Increase in Net Farm Inventory.....	\$ 387.00
Farm Produce used in House.....	322.00

Total Non-cash Income.....\$ 709.00

Non-cash Expenses—

Board Furnished Hired Labor.....	\$ 95.00
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Net Income (Cash and Non-cash).....\$2,813.00

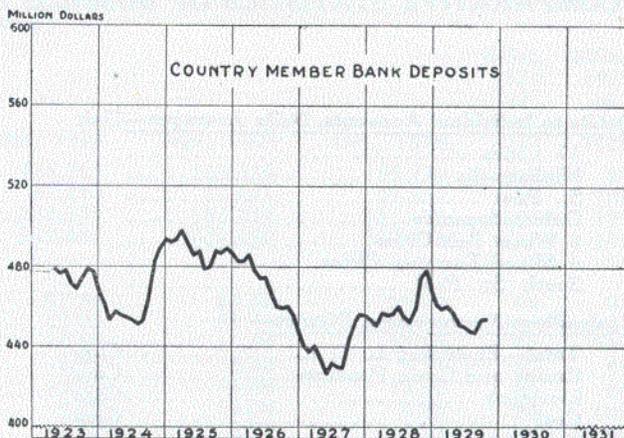
Apportionment of Net Income—

Interest on Farmer's Equity in Farm and Chattels.....	\$1,183.00
Unpaid Family Labor.....	353.00
Operator's Labor Earnings.....	1,277.00

DISTRICT SUMMARY OF BANKING

Country member bank deposits rose slightly during October, continuing the seasonal increase which began in September, but the average of country member bank deposits in October was 20 million dollars less than the October figure in 1928. The seasonal increase this fall was the smallest since 1926. Decreases, as compared with a year ago, were reported for all states.

Federal reserve bank loans to country member banks in this district rose moderately during the five weeks ending November 20, and were larger than loans to country member banks on the same date last year. The wheat belt banks were borrowing more than a year ago, but banks in the mixed farming region were borrowing less than a year ago.



Country Member Bank Deposits in the Ninth Federal Reserve District.

The low point in Federal reserve loans to banks in the western half of the district was reached earlier this year than usual on account of the early marketing season for crops, and the low point this fall was higher than in any preceding year since 1924.

Country bank balances carried with city correspondent banks in this district declined moderately during the nine weeks ending November 20. The decline was interrupted for two weeks at the close of October, owing to the effects of real estate tax payments. On November 20, country bank balances with city correspondents were 20 million dollars smaller than a year ago.

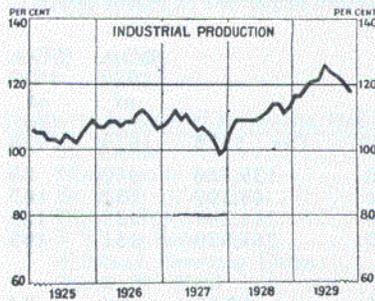
At city member banks in this district, the reduced volume of country bank balances was the most important change in the deposit situation, as compared to the fall of 1928. Other demand deposits were about equal on November 20 this year to the level a year ago, with deposits of public funds somewhat higher and commercial and individual deposits slightly lower. Time deposits have not experienced their usual moderate increase this fall, and on November 20 they were 8 million dollars smaller than a year ago.

On the asset side of the combined balance sheet of city member banks, commercial loans (the "all other" classification) were 11 million dollars larger on November 20 than a year ago, but had been declining for three weeks. Loans secured by stocks and bonds were 7 million dollars above last year's level, and investment holdings were 15 million dollars below the total for the same date last year. Balances carried by these city member banks with their correspondents increased 6 million dollars during the week ending November 13, but declined 10 million dollars in the week ending November 20, and were slightly under last year's level on the latter date. These city banks were able to reduce their borrowings from the Federal Reserve Bank by 19 million dollars during the five weeks ending November 20, but their borrowings on that date were 12 million dollars higher than a year ago.

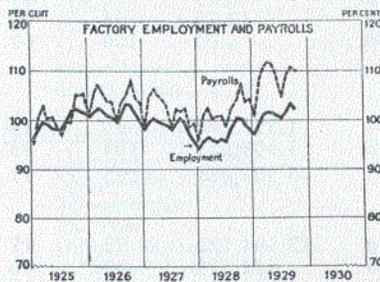
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	Oct., 1929	Sept., 1929	Oct., 1928	%Oct. 1929 of Sept. 1929	%Oct. 1929 of Oct. 1928
Debits to Individual Accounts, Daily Averages—Unit					
17 Cities	\$42,034,000	\$44,566,000	\$42,163,000	94	100
Minneapolis	22,599,000	25,035,000	20,907,000	90	108
St. Paul	7,822,000	7,843,000	7,544,000	100	104
Duluth-Superior	4,541,000	5,230,000	6,489,000	87	70
8 Wheat Belt Cities	3,412,000	3,147,000	3,757,000	108	91
4 Mixed Farming Cities	1,901,000	1,869,000	1,766,000	102	108
South St. Paul	1,759,000	1,442,000	1,700,000	122	103
Carloadings—Northwestern District—					
Total—Excluding L. C. L. Cars	605,216	589,509	634,133	103	95
Grains and Grain Products	57,645	66,712	84,131	86	69
Livestock	45,188	35,285	43,911	128	103
Coal	37,350	32,830	40,580	114	92
Coke	6,941	6,897	5,823	101	119
Forest Products	68,876	62,572	71,515	110	96
Ore	159,614	181,515	165,370	88	97
Miscellaneous	229,602	203,698	222,803	113	103
Merchandise—L. C. L. Cars	152,174	138,528	151,515	110	100
Building Permits—					
Number—18 Cities	1,763	1,811	1,839	97	96
Value—18 Cities	\$ 3,870,100	\$ 4,051,500	\$ 5,687,000	96	68
Minneapolis	1,028,700	1,076,600	3,217,000	96	32
St. Paul	715,200	1,529,000	1,076,700	47	66
Duluth-Superior	512,300	638,500	437,400	80	117
4 Wheat Belt Cities	927,000	372,500	471,900	249	196
6 Mixed Farming Cities	594,500	334,100	424,600	178	140
4 Mining Cities	92,400	100,800	59,400	92	156
Building Contracts Awarded—					
Total	4,295,200	7,640,600	9,555,800	56	45
Residential	1,423,700	1,246,000	4,474,700	114	32
Commercial & Industrial	1,005,000	2,444,400	1,264,800	41	79
Public Works & Utilities	904,100	2,660,500	3,171,200	34	29
Educational	497,500	225,000	360,500	221	138
All Other	464,900	1,064,700	284,600	44	163
Cash Value of Farm Products Sold—					
Bread Wheat	19,100,000	28,950,000	41,683,000	66	46
Durum Wheat	5,363,000	8,848,000	25,962,000	61	21
Rye	1,440,000	2,441,000	3,627,000	59	40
Flax	10,179,000	6,042,000	15,008,000	168	68
Potatoes	10,716,000	4,956,000	6,086,000	216	176
Dairy Products—See Note	17,117,000	20,225,000	20,448,000	85	84
Hogs	12,295,000	7,550,000	15,226,000	163	81
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—					
Wheat	62,673,039 Bu.	62,634,968	52,966,163	100	118
Corn	78,648 Bu.	140,988	1,081	56	7275
Oats	8,016,011 Bu.	6,302,513	3,082,738	127	260
Barley	5,612,145 Bu.	5,003,842	2,824,255	112	199
Rye	5,531,452 Bu.	5,276,110	1,854,068	105	298
Flax	1,125,993 Bu.	929,915	2,628,159	121	43
Median Cash Grain Prices—					
Wheat—No. 1 Dark Northern	\$1.32 Bu.	\$1.36 ⁷ / ₈	\$1.23	96	107
Durum—No. 2 Amber	1.24 ¹ / ₂ Bu.	1.25 ¹ / ₆	1.09 ¹ / ₂	100	114
Corn—No. 3 Yellow .....	.91 ¹ / ₈ Bu.	.92 ¹ / ₂	.93	99	98
Oats—No. 3 White .....	.44 Bu.	.46 ¹ / ₄	.39 ¹ / ₄	95	112
Barley—No. 3 .....	.58 Bu.	.60	.59	97	98
Rye—No. 2 .....	.97 Bu.	.97	.94 ¹ / ₂	100	103
Flax—No. 1	3.30 ¹ / ₂ Bu.	3.30 ¹ / ₂	2.28 ¹ / ₂	100	144
Wholesale Produce Prices—					
Butter .....	.42 ¹ / ₂ Lb.	.44	.45 ¹ / ₂	97	93
Milk	2.50 Cwt.	2.60	2.64	96	95
Hens—4 ¹ / ₂ Pounds .....	.20 Lb.	.22 ¹ / ₂	.21 ¹ / ₂	89	93
Eggs .....	.37 ¹ / ₄ Doz.	.33	.31 ¹ / ₂	113	118
Potatoes	1.50 Bu.	1.35	.60	111	250

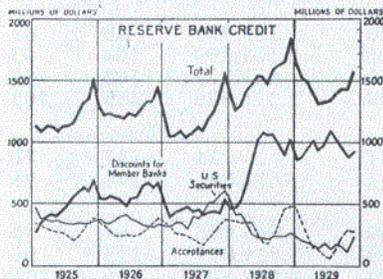
Sept., 1929; Aug., 1929; Sept., 1928.



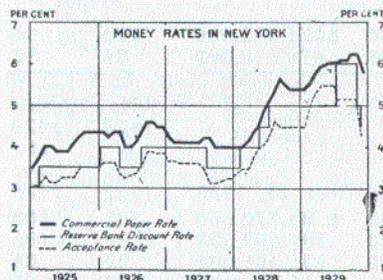
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average =100). Latest figure, October, 117.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average=100). Latest figures, October, employment 102.4, payrolls 110.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 21 days in November.



Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper, and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in November.

Summary of National Business Conditions (Compiled November 25 by Federal Reserve Board)

Industrial production declined further in October, and there was also a decrease in factory employment. As compared with a year ago, industrial activity continued to be at a higher level and distribution of commodities to the consumer was sustained. Bank credit outstanding increased rapidly in the latter part of October, when security prices declined abruptly and there was a large liquidation of brokers' loans by non-banking lenders. In the first three weeks of November, further liquidation of brokers' loans was reflected in a reduction of security loans of member banks. Money rates declined throughout the period.

PRODUCTION: Production in basic industries which had declined for several months from the high level reached in midsummer, showed a further reduction in October. The Board's index of industrial production decreased from 121 in September to 117 in October, a level to be compared with 114 in October of last year. The decline in production reflected chiefly further decreases in the output of steel and automobiles. The daily average output of shoes, leather and flour also declined, while production of cotton and wool textiles increased. Preliminary reports for the first half of November indicate further reduction in the output of steel and automobiles, and a decrease in cotton textiles. The total output of minerals showed little change. Production of coal increased and copper output was somewhat larger, while daily output of crude petroleum declined slightly for the month of October and was further curtailed in November. The volume of construction, as measured by building contracts awarded, changed little between September and October and declined in the early part of November.

DISTRIBUTION: Shipments of freight by rail decreased slightly in October and the first two weeks in November, on an average daily basis. Department store sales continued as in other recent months to be approximately 3 per cent larger than a year ago.

WHOLESALE PRICES: The general level of wholesale prices showed little change during the first three weeks of October, but in the last week of the month declined considerably. The decline reflected chiefly price reductions of commodities with organized exchanges, which were influenced by the course of security prices. During the first three weeks of November, prices for most of these commodities recovered from their lowest levels. Certain prices, particularly those of petroleum, iron and steel and coal, showed little change during the period.

BANK CREDIT: Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30, when loans to brokers by out-of-town banks and non-banking lenders were withdrawn in even larger volume, there was a liquidation of these loans, accompanying the decline in brokers' loans during the first three weeks of November. All other loans increased and there was also a growth in the banks' investments. Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20, discounts for member banks were about \$100,000,000 larger than four weeks earlier, and holdings of United States securities \$190,000,000 larger, while the banks' portfolio of acceptances declined by \$100,000,000. Money rates in New York declined rapidly during October and the first three weeks in November. Open market rates on prime commercial paper declined from 6 1/4 per cent on October 22 to 5 1/2-5 3/4 per cent on November 20. During the same period, rates on 90-day bankers' acceptances declined from 5 1/8 per cent to 3 7/8 per cent. Rates on call loans were 6 per cent during most of this period, but declined to 5 per cent in the third week of November. Rates on time loans also declined. The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1, and to 4 1/2 per cent, effective November 15, and the discount rates of the Federal Reserve Banks of Boston and Chicago were lowered from 5 to 4 1/2 per cent, effective November 21 and November 23.