



# MONTHLY REVIEW

of Ninth District Agricultural and Business Conditions  
FEDERAL RESERVE BANK OF MINNEAPOLIS

Vol. 8

NOVEMBER 29, 1945

Serial  
No. 47

## BUSINESS

### Department Store Sales Lead Nation

**B**USINESS activity in the Ninth Federal Reserve District has not been reduced materially by the general contraction in income flowing from manufacturing to wage earners and to employers.

The aggregate income received by wage earners engaged in industrial production began to decline shortly after VJ Day. This is especially true in Minnesota, where most of the production of war materials in this district was concentrated. The amount of overtime worked, with pay at one and one-half times the regular rate, has declined sharply. Furthermore, as war contracts were terminated, there has been a shift from higher-paying jobs to lower-paying ones; for the former were largely connected with the production of war materials.

A general contraction has also taken place in the labor force, since some war plant workers have either retired from the labor market or have taken an extended vacation.

All of these changes initiated by the shift from a war to a peace economy have reduced the income flowing to wage earners.

The income flowing to employers has also dropped. Termination of government contracts, in many instances, has cut off the income flowing to firms producing war materials. The downward trend of Federal Government expenditures for war activities provides some evidence of the magnitude involved. In addition to the income paid to firms for war materials, these figures, of course, include the pay to the armed forces and, since VJ Day, the money paid in the termination of contracts. In July Government expenditures for such purposes aggregated 7,324 million dollars while in October they had fallen to 5,124 million dollars. The largest monthly expenditure was made in March of this year when the disbursements totalled 8,246 million dollars.

In the fiscal year ending June 1945 a total of 90.5 billion dollars was spent for war activities. The U. S. Treasury has estimated a decrease of 40 billion dollars in such expenditures for the fiscal year ending June 1946. Until reconversion is completed and the production of civilian goods is in full swing, the income flowing to manufacturing concerns will be lower than in the recent war years.

In the Ninth Federal Reserve District, however, business activity in October was larger on a seasonally adjusted basis than during the summer months,

## SUMMARY

**F**OR the four weeks ending November 3, sales increased 19% over the corresponding period of 1944, an increase which exceeded all other Federal Reserve districts. In the first two weeks of November, sales were 20% above those of a year ago.

The high dollar volume of business continues in the Ninth Federal Reserve district, even though the income of industrial employees and employers contracts.

October bank debits were well above those for July and August, although below September.

The steady consumption of electrical power indicates that no material slump has taken place in industrial production since VJ-day.

Great Lakes shipping again reaches an impressive volume for the season. Grain shipments down the lakes exceed those of a year ago. Iron ore shipped to November 1 is only 6.7 per cent less as compared with 1944 season to the same date.

according to available business indicators. As has been pointed out in previous issues, the production of war materials in this district was a small part of the total as compared with that in other districts. As a result, reconversion is now reducing by a small amount the level of economic activity.

Bank debits in October over the 93 cities were 212 percent above the 1935 to 1939 average after an adjustment was made for the usual seasonal variation in the amount of debits charged against depositors' accounts. This represents a drop of 9 points in the index from September, when bank debits were unusually large for this time of the year because of the large grain receipts, but it was still well above the figures for August and July.

As compared with a year ago the debits reported for October were 8 percent larger.

Department store sales reveal a sharp increase in consumer buying. A rising dollar volume of sales and a declining consumer income are not incompatible under present circumstances.

The wartime restrictions on the production of civilian goods greatly curtailed the volume of sales during the war years. Sales, consequently, have

been at a low level in comparison with the amount of income consumers have had at their disposal.

The Department of Commerce has observed a close relationship between prewar retail sales, on the one hand, and disposable consumer income, on the other. In the two decades between the first and second World Wars, a 10 percent increase in the income at the disposal of individuals was accompanied by an increase of about 12 percent in retail sales. Or about 70 percent of any given increase in disposable income was used by individuals in the purchase of goods at retail stores.

If the prewar relationship between retail sales and disposable income of individuals is again established, the dollar volume of sales may continue for some time on the present high level even though consumer incomes continue to contract some more.

Sales of department and general merchandise stores were 20 percent larger in October than in the corresponding period of a year ago. For the first 10 months of this year, sales have averaged 13 percent larger than for the same period last year.

The rise in October sales was quite general over the district. The stores in northwestern Wisconsin reported the smallest increase over a year ago of about 12 percent. The stores in South Dakota, on the other hand, reported the largest increase of 25 percent.

On the basis of four-weeks sales figures, the October rise in department store sales in this area was among the largest over the nation. For the four weeks ending October 27, sales in this district were 15 percent larger than in the corresponding weeks a year ago. A larger percent increase was reported for only two districts: Dallas and St. Louis. For the four weeks ending November 3, sales in this district showed an increase of 19 percent, the largest in the country. Department store sales for the entire country were only 12 percent above the corresponding period a year ago.

The latest figures available for the first half of November indicate that the value of sales in the Ninth Federal Reserve District is running about 20 percent above those for the same period of 1944.

Electric power consumption is a rough short-run indicator of industrial activity. According to the kilowatt hours of electrical energy generated in the four states wholly in this district, no noticeable slump has taken place in electric power consumption since VJ Day. The energy generated in September was equal to that of the preceding month and to that of September 1944.

In October the kilowatt hours of electrical energy consumed in the district exceeded noticeably the amount consumed a year ago according to figures secured from the Northern States Power Company. The sales of the company in the region which approximates very closely the Ninth District were 5.9 percent larger.

A large share of this increase is the result of larger sales to non-industrial users. The sales to residential

### Sales at Department Stores

	Number of Stores Showing		% Oct., 1945 of Oct., 1944	% Jan.-Oct., 1945 of Jan.-Oct., 1944
	Increase	Decrease		
Total District .....	239	34	120	113
Mpls., St. Paul, Dul.-Sup.....	21	3	120	115
Country Stores.....	218	31	119	109
Minnesota .....	65	10	119	109
Central .....	8	0	125	119
Northeastern .....	5	2	111	98
Red River Valley.....	5	0	117	108
South Central .....	16	2	126	114
Southeastern .....	13	2	114	105
Southwestern .....	18	4	121	108
Montana .....	37	2	121	113
Mountains .....	11	0	124	114
Plains .....	26	2	119	113
North Dakota .....	44	6	119	109
North Central .....	8	2	108	98
Northwestern .....	5	0	118	111
Red River Valley.....	17	1	119	111
Southeastern .....	12	3	125	110
Southwestern .....	*	*		
Red Riv. Val.-Minn. & N. D.	22	1	119	111
South Dakota .....	26	2	125	113
Southeastern .....	7	0	127	115
Other Eastern .....	12	0	127	114
Western .....	7	2	112	108
Wisconsin and Michigan.....	46	11	114	104
Northern Wisconsin .....	12	3	118	105
West Central Wisconsin..	24	8	111	101
Upper Peninsula Michigan	10	0	120	115

\*Not shown, but included in totals. Insufficient number reporting.

### Northwest Business Indexes

Adjusted for Seasonal Variations—1935-1939=100

	Oct. 1945	Sept. 1945	Oct. 1944	Oct. 1943
Bank Debits—93 Cities.....	212	221	197	191
Bank Debits—Farming Centers..	224	225	194	192
City Dept. Store Sales.....	197	185	170	149
City Dept. Store Stocks.....	155	160	153	148
Country Dept. Store Sales.....	166	186	145	146
Country Lumber Sales.....	147	140	113	150
Miscellaneous Carloadings .....	113	110	120	111
Total Carloadings (excl. Misc.)..	125	129	126	142
Farm Prices—Minn. (unadj.).....	170	170	170	173

users increased by 9.4 percent; to rural users, by 30.9 percent; to municipalities for street lighting, by 8.0 percent; and to all governmental units for other purposes, by 11.9 percent.

Even though industrialists were steeped in the production of war materials a year ago, they, nevertheless, are consuming more electrical energy at the present time. The small industrialists consumed 9.8 percent more kilowatt hours of electrical energy in October as compared with the same month of a year ago. The large industrialists consumed 1.3 percent more than a year ago. Reconversion, according to these figures, has not reduced the consumption of electric power.

Iron ore and grain shipments on the Great Lakes reached an impressive volume again this year. Iron ore shipped to November 1 from the Lake Superior Region aggregated 70,976,369 gross tons. As compared with the large tonnage shipped in the 1944 season to November 1, this represents a decrease of only 6.7 percent.

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## AGRICULTURE

**Grain Stocks on Farms at Record Level**

**F**AVORABLE drying weather during October was of great value to corn in the Ninth District. The dry warm weather was just what was needed to dry out the immature corn crop in many fields. The November 1 crop estimate indicates a corn crop of about 384 million bushels in the district this year, which is about 15 percent less than last year's record crop, but 58 percent above the 1934-1943 ten-year average.

In South Dakota the 1945 corn crop has been exceeded in only four years, and it is estimated at about 120 million bushels. North Dakota will produce about 27 million bushels of corn this year. Minnesota, of course, produces the bulk of the corn in the Ninth District—218 million bushels is estimated for this year compared with 250 million last year and 102 million for the 10-year (1934-1943) average.

Small grain production in the Ninth District this year has been marked by record crops and an especially favorable season for harvesting. The wheat crop was about 18 percent above last year's high level. The oats crop was tremendous, 40 percent larger than it was last year. The flax crop was 50 percent larger than last year's small crop. The barley crop was slightly smaller compared with 1944.

Stocks of grain on farms in the Ninth District on October 1 were 31 percent larger than a year earlier and they were much above the last 10-year average.

The quality of the 1945 Hard Red Spring and Durum wheat crop is reported the highest in five years. Eighty-two percent of the Hard Red Spring wheat receipts at Minneapolis in September graded No. 2 or better, compared with 67 percent last season and 59 percent for the 1934-1943 average.

Eighty-nine percent of durum receipts in September at Minneapolis graded No. 2 or better compared with only 51 percent in 1944 and 67 percent for the 10-year (1934-1943) average.

Total wheat used for food in the United States during the current wheat marketing year is estimated at 540 million bushels, wheat for feed 170 million bushels, and seed at 82 million. The amount of wheat to be used in the manufacture of industrial alcohol may be reduced to not more than 25 million bushels according to recent government estimates. The quantity of wheat exported is expected to total about 325 million bushels, which includes flour in terms of wheat. Car shortages and labor difficulties, plus delay in replacing Lend-Lease with financial and credit arrangements, may reduce this figure somewhat.

The potato crop in the district is estimated at 113 percent of last year's production. The North Dakota crop at 24 million bushels was the largest ever produced—nearly double the 1934-1943 10-year average. The Minnesota crop is up slightly from last year but below the 10-year average. According to

## SUMMARY

**O**CTOBER 1 grain supplies were 31% larger than last year. Small grain crop in 1945 at new high. Soft corn helped by favorable drying weather.

Winter range, pasture, and feed conditions good to excellent. Cattle feeding expected to be larger to utilize soft corn.

Prices of farm products remain at or near ceiling levels. Ending of food subsidies and eventual surpluses in some food products expected to later affect farm prices.

Milk production in 1946 is estimated slightly below the 1945 record high. Butterfat production expected to become more important.

Hog numbers are building up on farms. Live-stock marketings in 1946 expected to be large.

Cash farm income for 1945 expected to be larger than in 1944—a new record high. Farm income down in 1946 as much as 10 to 15 per cent, says USDA.

reports from the Red River Valley area, a much larger proportion of the crop is stored in trackside and farm storage than ever before, with a small part stored in emergency field pits due to the shortage of cars for shipping. Quality of the crop is reported as generally good.

Range and pasture conditions in the Ninth District are excellent in most all areas. Range feeds in western North and South Dakota and southeastern Montana are reported of excellent quality and, except for local areas, will furnish plentiful fall and winter grazing. The condition of range feed in western South Dakota on November 1 was 87 percent of normal, which may be compared with 88 percent a year earlier, and 79 percent for the 20-year average, 1923-1942.

Cattle feeding in the corn growing areas of the district promises to be on a larger scale compared with last year. There has been an unusually keen demand for stockers and feeders during October and November.

The average cost of all feeder steers from St. Paul to the country figured at \$11.95 in mid-November. During the same week a year ago, prices averaged \$10.26. In spite of higher feeder cattle prices and the uncertainty of cattle prices, farmers are filling their feed lots in order to utilize the extensive soft corn crop.

For the United States as a whole, cattle on feed by January 1, 1946, is estimated to be a near record, according to a recent government market report. Since a relatively large number of cattle are being fed this year to help salvage frost damaged corn, it is expected that a larger than usual proportion of the

cattle fed this season will be marketed during the winter months as short fed or only partly finished cattle.

Prices received by farmers in the Ninth District have held generally steady in recent weeks. Seasonal price declines have been registered by some commodities such as potatoes, chickens, the lower grades of beef cattle and corn. Other commodities such as wheat, oats, milk, and eggs have advanced seasonally.

The demand for farm products has shown little sign of weakening in recent weeks. Prices of most farm products have advanced. Declines in industrial production, and employment and factory payrolls have been substantial, but apparently not serious enough yet to affect consumers' demand for food.

Total demand for farm products in 1946 is estimated by the Department of Agriculture to be maintained at a high level. It is pointed out that cutbacks in war production may not seriously affect the demand for farm products since

(1) consumers may reduce current savings and use some of their accumulated savings to purchase goods and services;

(2) if taxes are reduced, a larger proportion of current income will be at the disposal of consumers;

(3) a large volume of farm products will be taken for relief and export.

Civilian purchases of farm products will also be increased by removal of rationing restrictions and by returning discharged soldiers.

The curtailment in the demand for food products by the military will be partly offset by increased civilian demand, plus a need for much food in the devastated war areas. Effective foreign demand will depend, of course, on whether adequate financial arrangements can be made.

Two major uncertainties exist concerning the longer time view of farm prices. One is surpluses and the other is discontinuance of subsidies.

Agricultural production has expanded about a third since the war in Europe started. This is because of better weather conditions, increased farm mechanization, improved farm technology, a slight increase in crop averages, and greater productivity because of conservation measures.

It is estimated that, even under normal weather conditions, agricultural production will be at least a fourth larger compared with the 1935-1939 average. Unusually heavy demand for food both here and abroad will predominate for a time, but eventually surpluses in some food lines, at least, will make their appearance.

It is generally expected that most food subsidies will be discontinued by mid-1946. This will affect some commodities more than others. For example, livestock and dairy producers have received substantial subsidy payments either directly or indirectly. When subsidies are removed sometime in 1946, prices will adjust to the supply and demand situation that exists at that time.

### Estimates of Crop Production in the Ninth District<sup>1</sup>

Crop	(Thousands)			1945 November 1 Estimates	1945 in per- cent of 1944
	1943	1944			
Corn, bu. ....	342,268	453,060	383,947	85%	
Winter Wheat, bu....	26,240	30,411	35,989	118	
Spring Wheat, bu....	252,933	265,502	262,748	99	
Oats, bu. ....	328,779	377,205	526,310	140	
Flax, bu. ....	39,741	19,771	30,615 <sup>2</sup>	155	
Barley, bu. ....	142,204	120,129	116,759 <sup>2</sup>	97	
Tame Hay, tons.....	11,332	10,408	10,600	102	
Potatoes, bu. ....	58,085	45,816	51,572	113	

<sup>1</sup> Data derived from United States Department of Agriculture November 1 "Crop Production" report. District estimates by Federal Reserve Board.

<sup>2</sup> September estimates.

### Average Prices Received by Farmers<sup>1</sup>

Commodity and Unit	Ninth District		Oct. 15, 1945	Parity Prices <sup>2</sup> United States Oct. 15, 1945
	Oct. 15, 1937-1941 Avg.	Oct. 15, 1944		
<b>Crops</b>				
Wheat, bushel.....	\$.69	\$ 1.36	\$ 1.47	\$ 1.55
Corn, bushel .....	.43	1.00	1.00	1.12
Oats, bushel .....	.24	.54	.55	.698
Potatoes, bushel .....	.40	1.21	.94	1.28
<b>Livestock and Livestock Products</b>				
Hogs, 100 lbs.....	7.80	13.64	13.92	12.70
Beef Cattle, 100 lbs.....	7.41	11.23	10.89	9.48
Veal Calves, 100 lbs.....	9.09	13.06	12.95	11.80
Lambs, 100 lbs.....	7.99	11.68	12.55	10.30
Wool, lb. ....	.28	.43	.43	.32
Milk, wholesale, 100 lbs.	1.66	2.76	2.77	2.99
Butterfat, lb. ....	.31	.52	.52	.475
Chickens, live, lb.....	.125	.214	.206	.20
Eggs, dozen .....	.221	.334	.344	.436

<sup>1</sup> Data compiled from "Agricultural Prices," United States Department of Agriculture.

<sup>2</sup> The term parity as applied to the price of an agricultural commodity is that price which will give to the commodity a purchasing power equivalent to the average purchasing power of the commodity in the base period, 1910-1914.

### January-August Cash Farm Income<sup>1</sup>

State	(Thousands of Dollars)			1945 in per- cent of 1944
	1935-1939 Average	1944	1945	
Minnesota .....	\$ 214,452	\$ 541,411	\$ 533,517	99%
North Dakota ...	59,495	196,713	220,962	112
South Dakota ...	65,715	216,219	226,159	105
Montana .....	43,032	112,887	117,976	105
Ninth District <sup>2</sup> ...	433,009	1,199,179	1,228,648	102
United States.....	4,828,651	12,500,000	12,930,000	103

<sup>1</sup> Data from "The Farm Income Situation," United States Department of Agriculture.

<sup>2</sup> Includes 15 counties in Michigan and 26 counties in Wisconsin.

In the case of commodities such as poultry and eggs, removal of subsidies will have little effect, since no direct subsidies have been paid. Curtailment of military and lend-lease purchases, and greater availability of other meats will be more important factors affecting future prices of these commodities.

Milk production for 1946 probably will be 1 to 3 percent lower than the indicated 1945 record of about 123 billion pounds, according to a recent USDA release. The report further states that overall demand for dairy products in 1946 will be reduced moderately from 1945.

It was forecast that a weakening in demand for skim milk powder along with decreases in exports

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## BANKING

**Deposits Reflect Seasonal Money Shift**

TWO developments were apparently reflected in the banking picture during the month ending with mid-November. The first was the seasonal shift of funds into northwest banks as a result of heavy marketings of farm products, particularly wheat and, to a lesser degree, range cattle. This development was reflected in a fairly marked deposit expansion at both city and country member banks.

The second important event in the financial picture is, of course, the \$11 billion Victory war loan campaign, of which the district's quota is \$255 million.

Deposits of city banks, continuing the upward trend, had risen to \$1,574 million by November 14. Balances held by individuals and businesses expanded by \$34 million, and miscellaneous deposits by \$23 million. Deposits of the U. S. Government were actually lower (by \$13 million) than the previous month, indicating that as yet the war loan drive had not added to war loan accounts as much as withdrawals were reducing them. Borrowings, \$9 million on October 17, had declined to \$6 million during the month—another indication of an easier reserve position through a shift of funds into the district.

Total assets of these banks increased \$44 million during the month ending November 14—an increase which was just about split evenly between earning assets and cash and reserves. Holdings of Government securities accounted for \$14 million of the increase, most of which was centered either in the very short-term U. S. Treasury bills or in the longer-term Government bonds.

This development again reflects a slight tendency, discernible in recent months, toward higher-yielding, longer maturities.

The 20 reporting city banks increased their loan volume only \$4 million during the month. Commercial, industrial, and agricultural loans actually rose from \$121 million to \$132 million. This \$11 million increase was partially offset by two interesting reductions—loans to brokers and dealers in securities and other loans for carrying securities. These together declined by \$6 million during the month ending November 14. Declines in other miscellaneous loans accounted for the remaining offsetting items.

Country bank deposits during the last half of October averaged \$1,532 million, up \$41 million from the previous month. The expansion from September to October this year was almost double that of last year. As indicated above, this increase in part apparently stems from the heavy cash inflow into the district from farm marketings in the western states, particularly wheat and range cattle. Montana country banks alone accounted for \$16

## SUMMARY

**MONTANA accounts for \$16 million of \$41 million increase in country bank deposits in October. North Dakota has \$12 million of district increase, an 8 percent expansion.**

**City member bank deposits also rise. Funds invested in U. S. Treasury bills and bonds.**

million of the increase, or about 40 percent; their deposits, which averaged \$281 million the latter part of September, were up \$297 million by the last half of October.

The country banks increased their earning assets by \$36 million and reserves by \$8 million.

North Dakota country banks scored the next largest increase with a rise to \$168 million from

### Assets and Liabilities of Selected Ninth District City Member Banks

Assets	(In million dollars)		
	10/17/45	11/14/45	Change
U. S. Treasury Bills.....	\$ 9	\$ 16	\$+ 7
U. S. Treasury Certificates of Indebtedness .....	173	174	+ 1
Other U. S. Government securities .....	757	763	+ 6
Total U. S. Government securities .....	939	953	+14
Other investments .....	50	53	+ 3
Loans .....	226	230	+ 4
Cash and due from banks.....	401	422	+21
Miscellaneous assets .....	14	16	+ 2
Total .....	1630	1674	+44
<b>Liabilities</b>			
Deposits of U. S. Government.....	179	166	-13
Deposits of individuals and businesses .....	892	926	+34
Other deposits .....	459	482	+23
Total deposits .....	1530	1574	+44
Borrowings .....	9	6	- 3
Miscellaneous liabilities .....	8	9	+ 1
Capital accounts .....	83	85	+ 2
Total liabilities and capital.....	1630	1674	+44
Excess reserves .....	8	3	- 5

### Daily Average Reserve Position for All Ninth District Member Banks for the 16-Day Period Ending October 31, 1945

Type of Bank	Average Reserves Carried (000)	Average Reserves Required (000)	Average Excess Reserves (000)
Reserve City Banks.....	\$174,019	\$171,637	\$ 2,382
Other City Banks.....	29,991	25,213	4,778
Total City Banks.....	204,010	196,850	7,160
Total Country Banks.....	170,088	133,847	36,241
Total Ninth District—1945	374,098	330,697	43,401
Total Ninth District—1944	313,722	281,504	32,218

September's lower figure of \$156 million. The relative expansion for North Dakota country banks (8 percent) during the month was the largest of any in the district. (The corresponding relative increase in Montana was 6 percent.)

The deposit expansion at country banks in other states in the district was somewhat more nominal. South Dakota accounted for \$8 million of the increase; Minnesota \$4 million; the Upper Peninsula of Michigan and northwestern Wisconsin held about the same. None of these states (excepting South Dakota) produce much wheat, the marketing of which was primarily swelling deposits in the other areas.

## AGRICULTURE

(From Page 280)

and military demand of whole milk products will tend to decrease whole milk prices, but that the strong demand for butterfat will tend to maintain whole milk prices near 1945 levels.

During the war, milk marketing methods and dairy plant organization in the main dairying regions of the district were considerably altered. There was a shift to the marketing of whole milk to be used in the manufacture of cheese and dehydrated dairy products and milk powders. There has also been a trend toward larger dairy plants.

Now that the war is over, a shift in demand for the different dairy products will necessitate some changes in milk marketing and plant organization. Butter manufacture, for example, may become a more profitable enterprise than it has been during the war years. Many plants will be in position to shift from the production of one type of dairy manufacture to another, depending on the relative profitability of different dairy products.

Prices of meat animals probably will average moderately lower in 1946 compared with 1945, according to the 1946 Outlook issue of the Department of Agriculture's "Demand and Price Situation." Output of meat in 1946 is estimated to continue at or moderately above the 1945 level. Beef cattle numbers are still much above average and increased slaughter is in prospect. Hog marketings have been sharply curtailed during 1945 and numbers have built up. Sheep and lamb marketings in 1946 may be less, as numbers have been substantially reduced in recent years.

Present authorization of money for payment of meat subsidies extends through June 30, 1946. When they are removed it may mean price adjustments, depending on the demand for meat at that time. Slaughter subsidies on cattle vary from \$1.25 to \$3.00 per 100 pounds liveweight, depending on grade, when cattle are sold at the top of the stabilization price range. Hog slaughter subsidies amount to about \$1.70 per 100 pounds. Direct payments are also made to cattle producers amounting to 50 cents per 100 pounds on the better grades of cattle weighing 800 pounds and over when sold for slaughter. Sheep and lamb producers also re-

ceive direct subsidies varying from \$1.00 to \$3.15 per 100 pounds.

The schedule of lamb subsidy payments to producers advances 50 cents per Cwt. on December 1 and another 50 cents on next February 1. The subsidy on lambs averaging over 90 pounds is 65 cents higher than on lambs below that weight. Lamb feeders may be expected to plan their operations to take advantage of these higher subsidies. This may cause some bunching of supplies around December 1 and February 1.

Cash farm income in the Ninth District promises to exceed last year's record by a small margin. During the early part of 1945, district cash farm income was as much as 10 percent below a year earlier. In recent months, particularly after the marketing of record grain crops, cash farm income has exceeded last year's levels. For the first eight months of 1945 cash farm income is 102 percent of the same period a year earlier.

Ninth District crops, with the exception of corn and barley, are larger than last year. Livestock numbers have been maintained. High agricultural production plus favorable farm prices have practically insured a record high cash farm income in the district this year.

For the United States as a whole, cash farm income for the first eight months of the year was 103 percent of the same period in 1944. It has been estimated by the Department of Agriculture that total cash farm income plus government payments would total around 21.2 billion dollars—3 percent above 1944.

The year 1945 might be the peak in cash farm income, according to a recent Department of Agriculture release, which estimated reductions in cash farm receipts in 1946 but probably not more than about 10 to 15 percent, assuming normal weather and crop conditions. It was estimated that net income to farm operators may recede as much as 15 percent in 1946, as production expenses are not expected to decline as much as cash farm income.

In the Ninth District the trend in cash farm income approximates that of the entire United States in years of average weather conditions. The district, however, suffers during drouth periods as much of it lies in an area of 18 inches of rainfall or less.

## BUSINESS

(From Page 278)

With the close of the shipping season now near at hand, the total shipment for the 1945 season has been estimated at 76,000,000 gross tons. In the 1944 season, 81,170,538 gross tons were shipped.

Grain shipments this year out of Duluth and Superior are exceeding those of 1944. The grain shipped by boat to November 1 totalled 127,621,594 bushels. With the shipping lanes still open through most of November, the figure for the season will be boosted by a significant amount. In the entire 1944 season only 115,000,000 bushels were shipped out of the Twin Ports.