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Covers conditions in March, 1916.

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MONTHLY REPORT
CROP AND BUSINESS CONDITIONS IN
NINTH FEDERAL RESERVE DISTRICT.

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GENERAL

The spring outlook in the Ninth District is uniformly good. Trade is active and industry is enjoying a healthy prosperity. The building operations of the principal cities of the district show strong gains for March, indicating a willingness to put money into permanent improvements. A little noticed phase of building operations is the large amount of new construction in connection with business and manufacturing enterprises, indicating a considerable growth and expansion. Trade at country points is good and will be very active as soon as the frost is out of the ground. All wholesale and distributing lines render favorable reports. Collections are good. Bank rates remain about the same. There is a slight improvement in the demand and promise of still further improvement during the month, as spring farm activities open up. Deposits are up and money is plentiful in the banks over the entire district.

THE AGRICULTURAL SITUATION

The district enters the spring season with an excellent outlook. There is sufficient moisture to carry the growing crops well into the summer. During the past ten days, the winter ice and snow have fast disappeared, but the weather has not been warm enough to drive the frost from the ground and the soil is still frozen. The gradual thawing of the snow has obviated flood and high water difficulties that might easily have resulted from the quick disappearance of the exceptional snowfall of the winter. Spring seeding will be at least ten days late. Farm operations became general last year about April 13. It will be at least that date before the farmers are able to get into the fields this year, and later if the weather is not favorable during the coming week. There is some seeding in Eastern Montana, and there are reports of early activity along the Missouri river. In these districts, the chinook winds drove off the snow very early.

There is an abundance of good seed, except corn. The farmers have discounted the corn situation by testing and selecting their seed in view of the poor crop last year, and seed of proven germinating quality will be used this spring, much more generally than in any previous year.

The considerable shortage of fallplowing may be offset if weather conditions are favorable, but there is prospect of a decreased wheat yield, with increases of corn, oats, barley, rye and potatoes, which will clean the land. Many farmers are showing interest in light tractors and in the grain territory, have been liberal purchasers of this type of equipment. This is considered a factor in the spring plowing, and may prove of value in preparing a larger amount of land than is usual, for planting.

After seeding, reliable estimates indicate that North Dakota alone will have 20,000,000 bushels of old crop wheat left on hand; held by farmers for advance in price, which they confidently expect. The price situation during the month has shown fluctuations within a comparatively narrow range, but no progress of consequence back to previous high levels. A proportionate amount held in other parts of the wheat-raising area, would indicate a substantial part of the old crop still held, with little prospect that it will reach market until after

spring farm operations are out of the way. In anticipation of the opening of navigation, there has been great activity at the head of the lakes and large charters at high rates. There is some question whether Buffalo and lower lake ports can handle the spring rush down the lakes when the grain fleet moves, and there are predictions of a congestion and difficulty in unloading. The eastern freight congestion still hampers milling concerns. Flour and feed shipped from Minneapolis in December has not yet reached Boston. The mills are producing on a better scale than at this time a year ago.

Crop-year wheat receipts at Minneapolis-Duluth show the surprising increase of 78,038,000 bushels. Elevator stocks are 7,750,000 bushels larger than a year ago at this time. Receipts have been light.

THE LUMBER TRADE

Conditions in the lumber industry as they affect northern lumber are peculiar at this time. The demand has been steadily increasing, regardless of the severe weather of the winter. Prices have improved, but not on the same scale as prices for southern lumber. The outlook is for a still stronger demand and for higher prices. Logging operations during the winter were expensive, due to the increased cost of supplies, the scarcity of labor and the very heavy snows in the woods which hampered the crews and made the handling of logs difficult. The result of the winters logging operations is not favorable.

Line yards and country dealers are replenishing their stocks and are experiencing an active trade.

MINNESOTA STATE BANKS

Loans and discounts of state banks in Minnesota at the close of business March 7, were \$16,519,378 larger than for the same call of 1915. Total deposits were \$192,151,699. Deposits subject to check increased \$8,352,655, savings deposits \$3,953,277, and time certificates \$10,898,350. There was an increase of 89 in all state banks operating.

MEMBER BANKS OF THE NINTH DISTRICT

Reports of member banks are not complete, but show a parallel increase in deposits, with an expansion of loans and discounts and a heavy reduction of rediscounted paper and bills payable.

MINING CONDITIONS

The four great mining districts of the Ninth Reserve District give indications of a record year. Northern Michigan copper and iron properties will be heavy producers. The iron ranges of Minnesota will probably make the heaviest shipments of their history this year. The Montana copper properties are working full forces and mining and smelting are on a scale which has seldom been equalled in former years, and there is promise of a very active year in the Black Hills.

Agricultural Conditions

Unfavorable reports of large damage to winter wheat in Montana, and prospective injury to northwestern production because of late planting in Minnesota and the Dakotas should be discounted. In common with other wheat sections, Montana has suffered damage, which in some localized areas has been severe. This has already been overcome by active spring planting, and it is probable that the wheat acreage or total production will be seriously impaired.

Seeding is practically completed over all of South Dakota, excepting the northwestern corner of the state. The southern two-thirds of the eastern half of North Dakota is well along with spring corn, and some planting has been done in the western half. Seeding is under way in the southern half of Minnesota, and in the northwestern part of the state. A considerable amount of work has been done in the Red River Valley will be late on account of the late start in spring.