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

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The wheat crop of the three states of Minnesota, North and South Dakota, will approximate 130,000,000 bushels, with an additional 35,000,000 to 40,000,000 bushels from Montana, giving a total for the grain producing portions of the Ninth District of 165,000,000 to 170,000,000 bushels. Montana wheat is of good quality, and the yield has been satisfactory. Over the remainder of the district, the yields are small, and much of the wheat is of poor quality. Barley and oats have begun to move to market, and are of good quality, but somewhat light in weight. Flax and corn are not yet harvested, but are making progress towards maturity, and the outlook for both crops is promising. In Southern Minnesota and South Dakota, a week or ten days of continued good weather will produce a fine corn crop, and if favorable weather continues until September 15th, North Dakota and Northern Minnesota will produce as good a corn crop as these sections have ever had. The corn outlook in Wisconsin is favorable.

In the central portion of Minnesota, which is a large producer of potatoes, that crop will be fair to good. The crop in the Red River Valley section and Eastern North Dakota will be somewhat below the average.

Except in the sections that are devoted exclusively to grain raising, the outlook is not unfavorable. Farmers are receiving high prices for practically everything they sell. Dairy products are high, live stock is commanding excellent prices, and there is an unusually good demand for barley, oats, and rye, and the price levels for these grains are high.

Although developments in the European War have brought about some reaction from the exceptional prices of a week or ten days ago, wheat is still commanding an unusually high figure, and the farmers will derive an excellent revenue from whatever they have to sell. The movement of old wheat to the market during the latter part of the month, was light, due partially to rains in the agricultural sections, partially to the active condition of farm work, and, to some extent, to a disposition to hold grain for still higher prices. As a whole, the year will not be an unprofitable one for the average farmer. The lines of business that are largely dependent upon the volume of farm trade show no apprehension over fall and early winter business. There will be some sections that have relied upon the grain crops, where the farmers will feel the pinch of poor yields. These are the wheat growing sections that last year had a record crop. In the corn growing sections, that were hard hit last year by the failure of the crop to mature, it is very probable that the yields will be good, and that the farmers will be prosperous.

The very high prices that prevail will, to some extent, offset the heavy decrease in the total wheat yield, and there is still in the district a considerable amount of old wheat that

has not yet come to market.

Recent rains have softened the ground, and will contribute to the ability of the farmers to do a large amount of fall work. It is quite evident that the very poor showing made by wheat and other grains that were put in last year on poorly prepared ground, has convinced the farmers of the necessity of doing a large amount of plowing this fall, and it is very likely that next year's crop will go into the ground under very much more favorable conditions.

There has been no appreciable change in bank rates. While clearings are increasing, and the demand is good, there seem to be no factors in the situation other than those that ordinarily appear at the beginning of the crop moving period.

Country banks are doing some borrowing. The volume of rediscounts at the Federal Reserve Bank of Minneapolis has shown no change that would indicate that there are localities where the crop situation has so far created a cramped condition, although it is probable that some demand will arise later in the season.

The business situation, both in retail and wholesale trade is good, and there is a good volume of fall business in prospect. Industrial enterprises enjoy satisfactory orders, and there are yet no signs of a slackening of the excellent volume of business that has prevailed since the early part of the year.