

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

JULY

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Weather conditions in the Ninth District during the month were unusual. Rising temperatures which began during the last week of June continued until Sunday, the 30th ult., at which time cool winds broke one of the longest periods of severe summer heat the Northwest has ever known. Temperatures during the closing week of the hot period were especially severe, registering according to official reports, 95 degrees on the 26th ult., 96 degrees on the 27th ult., 97 degrees on the 28th ult., and 98 degrees on the 29th and 30th ult. A change occurring during the night of the 30th brought a reduction of about 15 degrees, and cool winds since that date have produced much lower day time and night averages. The last half of the heat wave showed very high night temperatures, and especially during the final week, there was comparatively little breeze. It is very noticeable from the reports that the damage to the growing crops increased rapidly and steadily during the final ten days of the heat wave, the condition being such as to promote the spread of rust and rapidly increase the damage from blight.

WHEAT

Wheat has sustained severe damage in the district embracing southern Minnesota, South Dakota east of the Missouri River, North Dakota, and the northwestern section of Minnesota. The first reports of severe damage from South Dakota came from the central northern portion, and with continued heat, the damage rapidly spread through practically all of the eastern half of the state. Southern North Dakota developed scattering evidences of injury from black rust followed almost immediately by reports of blight, and severe injury due to heat. These reports, at this time, cover the eastern two-thirds of the state, with the exception that the damage is not so severe in the northern counties as in those lying farther south. The North Dakota reports are, however, quite spotted, and some areas seem to have escaped with comparatively little injury. The resulting situation is that the crop will be very uneven, but with damage severe enough to considerably lower the general average for the state. The crop as a whole will be of poor quality.

Heat and black rust have done similar damage in the southern half of Minnesota, and in the Red River Valley District alike. The yield will be reduced, and the quality impaired.

Montana has escaped damage from black rust. From the Rocky Mountains eastward to Havre and Great Falls, 80 percent of the winter wheat sown last fall was winter killed, but the area was reseeded to

NOTE - In view of the importance of an accurate and unbiased report of the damage to the principal grain crops, this bank has been in close touch during the month with numerous correspondents, and received by telegraph this morning comprehensive reports from all parts of the region previously marked out as the area affected by blight and black rust. These telegraphic reports summarize the situation up to last night.

Harvest - Wheat damaged 50 percent, grading about No. 2. Acreage 25 percent less than a year ago.

Wheat - Black rust and blight have reduced yield to 25 to 30 percent

spring wheat, and the total yield will be equal to that of the crop of last year, and the quality will be slightly better. In the region adjacent to and north of Miles City, the wheat acreage is larger than a year ago, but the crop has been somewhat damaged by hot weather. The fields are spotted, but the increase in acreage will probably give a total production as good as last year. Eastern Montana from Glendive east shows a wheat acreage 15 percent larger than a year ago, with a per acre yield 10 to 20 percent less than a year ago. The northeastern corner of the state reports poor crops. This section, too, is very spotted, but will probably show a total production equal to the last crop.

Over practically all of the territory, it is evident that wheat that was put in on stubble ground has suffered severely, and has not been able to resist the excessive heat. Considerable damage has also occurred on low lying ground, and on low spots hurt by excessive moisture earlier in the season.

Following is a summary of some of the more important North Dakota reports:

Fargo - 30 to 40 percent injury as compared with last year from heat, black rust and red rust.

Valley City - Heat and rust damage 15 percent, with a decreased wheat acreage. Durum promises better than marquis and bluestem.

Minot - Wheat on stubble will be half a crop. Balance hurt about 20 percent by excessive heat. Little damage from black rust.

Jamestown - Black rust damage at least 50 percent. Yield and quality both impaired.

Grand Forks - Blight and black rust all over the state. Acreage 15 percent less than last year. With favorable weather will have 80,000,000 to 85,000,000 bushels poor quality wheat. Harvest general in ten days.

Bismarck - Wheat from Bismarck to Wilton and Regan 85 percent of last year's crop.

Carrington - Wheat poor to fair, with 25 percent decrease in acreage. All varieties injured by rust.

Casselton - Acreage and yield reduced. Much damage from heat, moisture and rust.

A summary of some of the more important South Dakota reports is as follows:

Aberdeen - Wheat poor, due to heat and rust.

Mitchell - Acreage about 10 percent less, and injury about 50 percent as compared with last year. Probable yield about 7 bushels, grading about No. 2.

Redfield - Acreage about same as last year, but wheat damaged by black rust. Some fields will not be cut.

Brookings - Wheat severely damaged.

Watertown - Acreage about the same. Yield about 25 percent due to rust and excessive heat.

Huron - Wheat damaged 60 percent, grading about No. 2. Acreage 25 percent less than a year ago.

Britton - Black rust and blight have reduced yield to 25 to 30 percent

of last year's crop, acreage one-eighth less.

Groton - Final week of heat period caused rapid increase of damage, and crop will be light. Injury is very severe, and many fields will not be cut.

A summary of some of the more important Minnesota reports is as follows:

Warren - Wheat will be 7 or 8 bushel crop of poor quality, approximately one-third of last year.

Fergus Falls - Wheat badly damaged by rust and blight. About one-third of a crop.

Winona - Outlook not very promising, except for corn.

Albert Lea - Heat has prematurely matured small grain, with some indications of blight and a few traces of rust.

Argyle - We are not looking for more than half a crop of wheat. Much red rust and some black rust, together with injury from heat.

Redwood Falls - Red and black rust have materially damaged wheat, much of it will not do better than 5 or 6 bushels.

Ada - Wheat about half last year's crop.

Breckenridge - Severe damage from early rains, and heat. Conditions better on high ground, and light soil.

#### SUMMARY OF WHEAT CONDITIONS

Harvest will be general in ten days. It will be noted that all of the damage reports are based on last year's crop, and not upon an average crop for this district for a ten year period. The situation as a whole is that the southern section of South Dakota and the northern section of North Dakota are in better shape than other portions of those states, while central Minnesota shows a better condition than the southern and northwestern section, with the exception that the small grain crop in the southern tier of counties is good.

In comparison with an average crop for the Ninth District, the wheat yield will be poor to fair. The quality will not be as good as was expected, but it should also be considered that a large proportion of last year's crop was not of first quality.

It is fair to conclude that in view of other crop production and prospective high prices, the injury to wheat, while it will cause much loss, does not necessarily mean that the farmers will not have a fair to good year.

#### OTHER SMALL GRAIN CROPS

Barley over the district will be somewhat impaired as to yield, and will be somewhat light in weight, but it will still be a very fair crop. Rye was hurried too fast to maturity and will also be light in weight, with some impairment of yield. Oats fair to good. Very few unfavorable reports have been received as to flax, and the prospects are good.

Minneapolis, Minn., March 12, 1917.

CORN CROP

John E. Rich of the Federal Reserve Bank of Minneapolis today issued the following statement:

The condition of the corn crop has been greatly improved during the past month, and the prospects at this date are for a fair to good crop.

The corn situation is very spotted, and owing to moisture in the early season, the fields are very uneven. In Minnesota especially the prospects for a large corn crop are very favorable, particularly in the southern portion of the state, where this crop is a very important part of the production.

HAY AND FORAGE CROPS

The hay crop is unusually heavy and of very fine quality. Alfalfa, clover and other forage crops have given very heavy yields. The weather has been ideal for haying.

GENERAL BUSINESS CONDITIONS

Business conditions continue favorable, with good activity in retail lines, and a good volume of wholesale business. Industrial concerns are still busy with large orders, and labor is fully employed at good wages. Construction is active in the urban centers, and there promises to be a large amount of fall building in the country.

BANKING CONDITIONS

The demand has improved slightly, while the rate situation shows very little change since the recent moderate hardening. It is anticipated that the crop moving demand will produce considerable activity. While the production of certain crops will not be as great as a year ago, the price level is high, and the farmers will realize excellent returns upon whatever they have to sell. This condition promises considerable activity in the country this fall, with a consequent demand upon the banks. The crop moving demand, while it may not be as great as a year ago, will still be of considerable proportions.

The deposits in the larger centers have been falling off for several weeks, in response to the usual influences at this time of the year, but it is expected that they will build up rapidly after the crop begins to move, and that the fall period will find the banks with liberal deposits, as was the case last year, excepting in the sections principally devoted to grain raising.

The crop outlook for this spring is good. Upon practically every farm, there is land which might be cultivated, but which is not now used, because the farmer has not thought that it was needed. Minnesota can be depended upon, in an average year, for something more than 10,000,000 bushels of potatoes. At a rough estimate, an acre of potatoes will provide a winter supply for eighty families. Many thousands of farmers make no attempt to raise this crop for sale, and plant only enough for their own requirements, marketing potatoes only when they have a surplus, and when the price is high. It is apparent that if only a few thousand farmers interested themselves this spring in putting in an extra acre of potatoes, that the food