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

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The chief interest in the crop situation of this date centers on conditions in North Dakota and Montana. So far as North Dakota is concerned, the outlook in the eastern one-third of the state is fair to good, and in the remainder of the state poor. In Eastern Montana, the crops are poor to fair, with a better outlook in the northeastern counties than in the central counties and Yellowstone Valley district. In the western half of the state the outlook is fair to good, with a poorer prospect in the northern part than in the south.

It is apparent that the recent rains have come too late to do any great amount of good in North Dakota, while the hot winds of the past week have done considerable harm. A narrow strip of territory, including the counties along the eastern boundary of the state, give promise of from 11 to 12 bushels of wheat. The region north and west, including Ramsey, Cavalier and Towner Counties promises about 8 bushels, with many bad spots. South and west from Fargo, including Barnes, Stutzman and Lamoure Counties, the outlook is for from 8 to 9 bushels. West of Devils Lake in Benson, Pierce and Kollette Counties, and the eastern part of Bottineau County, the outlook is for from 7 to 8 bushels.

In a general way, the territory east of a line drawn from Bottineau through Jamestown, to the southern boundary of the state, will include the territory within which wheat is a fair to good crop. West of that line, with the exception of some small localities, the average will be from 3 to 3½ bushels, with a number of localities in which the crop is burned up and damaged to such an extent that the farmers cannot recover seed.

The region in which the yields will be fair to good includes a territory producing about half of all the wheat grown in the state. This will help the general average for North Dakota, which over the state as a whole will be approximately 6½ bushels.

The flax outlook 15 days ago was excellent. The state has this year 964,000 acres, or from 150,000 to 165,000 acres more than normal, but on account of damage that has recently occurred, will get from this increased acreage probably not more than 5,000,000 as against a normal production on a considerably less acreage of about 8,000,000 bushels. The final outcome of the flax crop is still problematical. With favorable weather, much good flax will be harvested, but with conditions such as have prevailed during the past two weeks, these estimates may be still further reduced.

Rye will average about half a crop, yielding from 8 to 9 bushels as against a normal yield of 18 bushels. The state has approximately 1,000,000 acres of this crop.

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Barley, of which North Dakota has approximately 1,700,000 acres will probably not yield over 12 bushels for the state as a whole, although in the eastern portion a 20 bushel average is looked for. The early barley is good, but much of the late barley is poor.

Oats promise fairly well in the eastern third of the state, where the crop will average 20 bushels, or possibly somewhat better. They are practically a failure in the remainder of state, and on a normal production of approximately 60,000,000 bushels, North Dakota will probably get about 25,000,000 bushels.

The corn crop hangs in the balance at this date. The outlook is promising, although recent hot winds have affected it. The state has 14,000,000 acres in this crop, representing an increase of about 8 percent. Those who have observed the fields during the past three days are of the opinion that August weather will make or break the crop. Rain is needed, and if the favorable conditions that are required materialize, the state will probably harvest a good corn crop.

Potatoes promise a good crop, but have been hurt by bugs, and need favorable conditions under which to mature.

The hay crop over the state is short, alfalfa yielding about two-thirds of a normal production.

The western two-thirds of the state shows some localities in which very good crops will be harvested in spite of the generally poor outlook. Upon fields that were thoroughly cultivated and planted early, wheat is standing up well against adverse conditions. Late sown grain, and that put in upon poorly prepared land, has not been able to resist the continued dry weather and extreme heat.

Bankers and agricultural experts throughout the state and also in Montana are giving close attention at this date to the stock situation. Steps are already being taken to advise farmers against cleaning up their breeding animals. Shipments into livestock markets show that the movement in North Dakota and other states where the hay and forage is short has already begun. The North Dakota Agricultural College reports that the probabilities are that the farmers can be persuaded not to part with their breeding stock, and investigation is now being made as to steps that may be taken to hold within the state a maximum amount of stock by bringing in hay and forage to carry it through the winter.

The crop situation in South Dakota is in some respects similar to that in North Dakota. The eastern one-third of the state promises well, while the central portion shows serious damage in some localities, and the portion west of the Missouri River a poor outlook.

Northern Montana wheat has suffered severe damage from heat and drouth, and like western North Dakota has many localities in which the farmers will not recover seed.

The outlook in Sheridan and Richland Counties is somewhat better than in other portions of the eastern half of the state. Crops grown upon irrigated land will be good. The Northern part of eastern Montana will probably not harvest more than 25 percent of an average crop. The southern half promises somewhat better. The northwestern quarter of the state reports about half a normal crop, while localities like Beaverhead Valley have a good outlook.

Conditions in Minnesota as a whole are favorable. Through the southern half of the state, corn is making rapid progress and promises well, and wheat is practically safe. The outlook is for a



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good crop. It is noticeable all the way from Minneapolis northwest to Crookston that the wheat fields are in good condition. The heads are well filled, and although the Straw is short, there is promise of a very good yield. In the same general area, rye and barley are fair to good, but oats are not so promising. Corn is very spotted, and some fields are so backward that they will not yield more than fodder.

The Red River Valley has a fair to good outlook. South of the lower end of the valley, including the west central counties of the state, there has been considerable damage, and in some parts the crops will be poor. It is doubtful whether the damage that has occurred in Minnesota, taking the state as a whole, is more serious than would ordinarily be encountered in any crop year. The total production for the state will run into good figures, which is especially important in view of the heavy wheat production of this state.

The harvest of rye and barley has been in progress for more than a week, and farmers are beginning to cut oats. The heat of the past two weeks has rushed the grain crop forward to maturity very rapidly, and within a few days the wheat harvest will be in full swing.

There is much speculation as to the influence upon banking and commercial business resulting from crop damage occurring in July. The best informed authorities are inclined to take a favorable view, and believe that adverse conditions will not develop during the present year. Montana is in better shape to stand the damage that has resulted from heat and drouth than North Dakota. After two especially good crop years, and a period during which live stock and wool have commanded high prices, there is no reason to suppose that the buying power of the people or the general prosperity of the state will be impaired. It is noticeable that those who are in banking or commercial business in that state are not pessimistic over the future, and are taking the losses of the present crop year philosophically and with a considerable degree of optimism.

The problem in North Dakota, especially in the western half of the state, is more serious, because much of the increased acreage this year has been put in with borrowed money, and there will be many localities where the farmers will be hard hit. The early steps that are being taken by bankers, the agricultural extension department and other interests, are a very favorable sign, and mean that the state as a whole recognizes the difficulties that have come upon a great many of the farmers, and is prepared to render whatever assistance and cooperation they may need.

Portions of South Dakota in which conditions are unfavorable are not, as a whole, especially important from a crop production standpoint, and there is no reason to believe that the state generally will suffer seriously from the loss to the crop that has occurred.

Minnesota will undoubtedly be prosperous. The area embracing the greater part of this state, and a crop producing region nearly as large in the eastern portions of both North and South Dakota, will have small grains, corn and potatoes to sell in very substantial quantities, and at unusually high prices. Over this general region, it is reasonable to suppose that farmers will not only do well, but will continue to enjoy unusual prosperity.