

No. 35

...half of 1918 will bring about some change, and that there will be some classes of commodities that will move slowly. There is no evidence of any wide-spread disposition on the part of buyers to curtail the volume of individual purchases, and there is some evidence of more conservative purchasing of non-essential commodities and necessities are moving in good volume, and any contraction of buying that comes about will in all probability be a somewhat slower movement of goods that may be expected in the near future. The aspect of a continuation for a considerable period of very high prices for farm products, and with better conditions as to the movement of goods and rates of pay than has existed.

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

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Developments in the seed corn situation during the month are not especially encouraging. In sections where it was supposed that a percentage of the 1917 crop had matured without being touched by frost, it has proven impossible to locate any amount of satisfactory seed available for shipment to districts that have no corn. The total amount of seed corn which has been located through the efforts that have been in progress for more than a month past, is very small compared with the demand that will arise in the spring.

With the promise of Federal assistance in purchasing and storing such seed as can be located, the prospect of saving a considerable part of the seed that can be located in the hands of farmers is much improved. Active efforts are in progress to encourage all banks in the portions of the Ninth District where corn is raised, to report during the next fifteen days the total amount of seed that can be purchased in their localities. These reports, in addition to those already received will constitute a census of the purchasable seed corn within the Ninth District, and will provide a basis upon which the deficiency of seed for spring planting can be estimated. It is improbable that the supplies discovered by this process will be sufficient, together with the amounts reserved by individual farmers, to plant a normal spring acreage.

The business outlook throughout the district has improved somewhat during the past ten days as a result of the cancellation of railroad priority orders, and there is a prospect that needed shipments will come forward more readily than for some time past. While no appreciable change in the traffic situation has yet occurred, there is considerable hopefulness on the part of lines of business chiefly interested that the result of Government control will be to slowly restore order, and put an end to the serious disturbances in the movement of traffic that have continued for many months past.

Executives of many of the more important business institutions that are dependent upon the prosperity of the district anticipate a normal business during the first half of 1918. Their reports indicate confidence that the volume of trade will hold up well, and that the result, measured in terms of money, will compare favorably with 1917, which as a whole was a very good year. In terms of material, sales will probably be less. The enhanced value of all goods and commodities is a factor in the present situation that is proving to be of some importance. There is no hesitation so far on the part of country trade, and advance orders for spring delivery are very satisfactory. In the western part of the district, where the failure of the 1917 crop had a detrimental influence, trade is not as satisfactory as in other portions of the district, but the outlook as a whole shows nothing to cause apprehension; but on the contrary is such as to indicate that in the northwestern states business will move along much the same as usual, with some curtailment of the sale of the less necessary articles, and with some reduction in sales measured by yards and dozens, but not when measured in terms of money.

There has been some apprehension in merchandising lines as to the effect of war conditions upon trade. Most merchants are satisfied that

the first half of 1918 will bring about some changes, and that there will be some classes of merchandise that will move slowly. There is no evidence of any wide-spread disposition on the part of buyers to curtail the volume of individual purchases, although there is some evidence of more conservative buying, expressing itself chiefly through the reduced purchasing of non-essentials. Staple articles and necessities are moving in good volume, and any change in the character of buying that comes about will in all probability show itself in a somewhat slower movement of goods that may be classed as luxuries. With every prospect of a continuation for a considerable period of very high prices for farm products, and with better conditions as to the employment of labor and rates of pay than has existed for a number of years, there is no likelihood that sales of staple merchandise or of goods and supplies that are necessary for the maintenance of a prosperous population will diminish. On the contrary, there is every probability that the normal volume of sales will be maintained, and the probability that they will increase to some extent.

Mid-winter crop predictions are usually unsatisfactory. At the same time a survey of the situation develops some information upon which spring conditions may be forecasted. In Montana, the acreage of winter wheat is about the average, and the prospects for spring wheat are only fair on account of the shortage of good seed, which extends over practically all of the Montana grain territory and the western half of North Dakota, and the shortage of feed.

In the northwestern counties of Montana, the prospects for spring planting are better than in other sections of the state. Much land that was broken last year for flax will probably be seeded to wheat this spring. In North Dakota, there has been a very heavy increase in the rye acreage, running from 50% to 75% over last year. Present indications are that there will be a decrease of from 10% to 15% in the spring wheat acreage, although a favorable spring with the present attractive grain prices may have the effect of overcoming to some extent the present prospective shortage. South Dakota has heavily increased the rye acreage, and in common with Minnesota and North Dakota, will probably show a decreased planting of corn. There is some increase in the rye acreage in Minnesota, and the prospect of a considerable increase in the spring planting of barley.

The extent to which extremely favorable prices for live stock have offset the 1917 losses on grain crops throughout the entire district is hardly appreciated except by those who have closely followed the situation. One of the fortunate results of the past year is that farmers were thus enabled to discount the serious effects of the crop failure. In western North Dakota and eastern Montana, there will be many instances in the spring of farmers, especially those who have recently gone into these sections, who will need financial assistance in putting in their crops. Over the remainder of the district, farmers are in very fair financial shape. The chief agricultural problem at this time is that of obtaining satisfactory supplies of seed, and of providing a method for the financing of seed purchases in the districts that were hardest hit by last year's failure.

There is a noticeable change in public opinion with the coming of the new year. The determination of the people of the Northwest to stand solidly by the Government and render the fullest possible support in men and money under present war conditions is clearly apparent. People, who in 1917 kept business on an even keel and were yet able to subscribe \$208,591,000 for the purchase of war bonds, and who are represented in every branch of the naval and military service, and who have sent large forces to the fighting front and to the training camps, may be depended upon during the coming year to fully discharge any responsibilities that are placed upon them.