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

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Federal Reserve Agent
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A series of reports from all portions of the district just completed indicates that it is reasonable to forecast a ten percent increase in wheat acreage in the eastern half of North Dakota and in Minnesota. Throughout the eastern portions of both North and South Dakota, Minnesota and Wisconsin, there will be substantial increases in the barley acreage due to the results from this crop last year. Throughout this area a satisfactory amount of fall work was accomplished last year. In parts of the western half of North Dakota, and in portions of South Dakota, acreage increases will depend to some extent on favorable conditions in the early spring. If the spring proves to be early and favorable to plowing, it will have a beneficial effect upon the acreage of all crops.

Montana planted an increased acreage of winter wheat last fall. While there was a deficiency of moisture during the winter and some anxiety because wheat was not well covered, the reports do not so far indicate that any considerable amount has been winter killed. In western Montana during the last few weeks, there has been a satisfactory precipitation and conditions are excellent.

In eastern Montana there is prospect of a heavy planting of spring wheat. The ground is in good shape for spring work and the farmers are well taken care of as to their seed and feed requirements. A great deal of seed has been arranged for through the Federal Government.

In the Gallatin Valley, the prospects are for an increased acreage. Montana has profited by a mild winter and stock has come through in very good condition. Sheep are beginning to move freely at a nominal price of about \$15.00. This figure is for ewes to lamb the latter part of March and April. Indications are that the price will settle to \$14.00 and \$14.50.

The extent to which the last crop has increased prosperity in South Dakota may be judged from the following paragraph from a letter of an old and reliable banker.

"Our farmers are generally turning their attention

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to stock. Last year we harvested one of the best average crops of wheat that this district has seen and many farmers took as high as \$6000 to \$7000 from a single quarter of wheat land. Our locality has, of course, been fortunate, and has not known a failure since 1894. I think the general tendency will be to sow as much wheat as last year and probably more on account of the fixing of the price by the Government."

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The President of a southern Minnesota bank, who is experienced and a very reliable observer of crop conditions, reports that in his county every available piece of land will be cropped in 1919. In common with other observers he anticipates a substantial increase in corn acreage, and considerable activity in live stock.

The reports from Wisconsin are of much the same general tenor. A review of the data obtainable indicates that the adoption by Congress of the bill fixing the wheat price has already had a stimulating effect and will reflect itself throughout practically all of the district in larger wheat acreages. Wheat is not, however, the only thing in which the farmers are interested. Last year's corn crop was a success after the serious failure of the season before. There are ample supplies of good seed corn, and farmers throughout all of the corn growing portion of the district, which embraces a considerable part of both North and South Dakota, and the southern two-thirds of Minnesota and Wisconsin, evidently plan to substantially increase their production of this valuable crop. Next to wheat, barley seems to be a prime favorite, and the rye acreage will undoubtedly show some increase. The very substantial returns from flax in 1918 appear to have induced the farmers to plant an equivalent, and perhaps a somewhat increased acreage this year.

The return of large numbers of men from the military camps and from overseas has appreciably improved the farm labor situation. It is evident that there is a widespread disposition, as expressed by the southern Minnesota banker, to utilize the available acreage of tillable soil and put in a full crop of everything this spring, with particular emphasis on wheat, corn and barley, probably about in the order named.

The serious seed situation which existed a year ago did not deter the planting of a large crop. Conditions at this time have entirely changed. The wheat growing sections of the district are either fully supplied with seed of high quality or have adequate seed supplies available. A year ago it was necessary to make a special investigation and census of seed supplies. This year there are ample stocks of all kinds and some surplus for use outside of this district.

Moisture conditions improved appreciably during February. The larger part of the Ninth District is covered by a

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satisfactory blanket of snow and most of the reports indicate that the frost has not penetrated deeply into the ground, due to the remarkably mild winter. Should the remainder of the winter be free from periods of intense cold, it is probable that much of the moisture afforded by the snow will be retained in the soil. It is safe to assume that there will be further snow falls before the spring season, and that there is still some improvement in moisture conditions that may be looked for.

Business during February was active throughout the district, and trade in all lines was in satisfactory volume. The western half of the district reports good collections and increased bank deposits. Bankers anticipate an active year and with no very important recession in the commodity prices, the demands arising out of spring planting will be heavy and represent almost as great a load as last year.

There has been some reduction in the cost of building material, although labor costs, which are also a controlling element, remain approximately the same. There are signs of increased building activity in the spring, and some authorities look for further reductions in material prices, which will undoubtedly have a very important effect in stimulating the volume of construction, especially as to small improvements.