

# CROP and BUSINESS CONDITIONS

IN THE  
NINTH  
FEDERAL RESERVE  
DISTRICT



MINNEAPOLIS  
JUNE 27  
1921

77th Report of the Federal Reserve Agent at Minneapolis to the Federal Reserve Board

## SUMMARY FOR THE MONTH

Agricultural prospects continue very favorable. Spring wheat production is expected to be 36 million bushels greater than last year in spite of a reduction in acreage. North Dakota has better prospects than in any year since 1915; and northern Montana better than in any one of the last four years. Range conditions for live stock are excellent and Montana reports an unusually large lamb and calf crop. Grain prices were higher in May and this rise coupled with the good production prospects has led to a belief among business men that there will be a substantial revival of business activity when the crop moves to market.

The volume of business was about the same in May as in April. Payments made through banks increased about 2 per cent, which is the same rate of increase shown between the same two months the preceding year. Postal receipts in the three largest cities decreased 6 per cent while the number of persons employed in the larger establishments in the Twin Cities increased 4 per cent. Comparisons with a year ago indicate a reduction in business activity. Payments made through banks are 26 per cent less, postal receipts 10 per cent less, and retail sales are 15 per cent less in dollar values. Also, requests for labor are about one-third, while applicants placed by employment agencies are about one-half of a year ago. Lake traffic westbound and eastbound, combined, was one-third less than a year ago. Iron ore shipments from the Upper Great Lakes were one-third of a year ago, while copper production in this district is about one-fourth of a year ago.

The marketing of live stock and grain is at a low ebb. The decrease as compared with a year ago was 20 per cent in live stock and 11 per cent in the case of grain. Receipts in May were 12 per cent larger for livestock, and 9 per cent less for grain as compared with the month of April. It is regrettable to notice that the shipment of feeders declined 13 per cent in May as compared with April, while the May totals were 36 per cent

less than the same month the year previous. Terminal grain stocks declined one-fifth in May, but at the end of that month were one-third larger than a year ago.

Some of the important industries of the district recorded gains during the month of May. Lumber cut by manufacturers increased 40 per cent while retailers' sales in board feet increased 28 per cent. These are now practically the same as a year ago. Flour and linseed production declined about 12 per cent, although flour shipments increased due to a full month of open navigation in Duluth. Flour exported from Minneapolis was fully 50 per cent more than last year for the five months to June 1st. Coal is moving to the head of the lakes in much better volume than a year ago. Business failures reached a new high level in May.

Prices of important commodities produced by this district exhibited mixed tendencies during the month. There were increases in the prices of flour and of all grains except barley. In garden and dairy produce prices the increases were about equal in number to the decreases. In live stock wholesale markets there were more decreases than increases. The cost of living declined 1.7 per cent during the month; and a total of 8 per cent since January 1, 1921.

There was a noticeable relative increase in housing accommodation available as indicated by rental offerings which were one-fourth greater in May than in April and about one-half larger than a year ago. Prospective building operations appear to have reached a peak in April because May witnessed a decline both in number and valuation of permits issued in 10 important cities of this district. Nevertheless, May exhibited a much larger volume of building projects this year than a year ago.

Rising loans and falling interest rates characterize the month of May. The total accommodation of the Federal Reserve Bank increased about 5 millions in May, which was at a more rapid rate

June 27, 1921

## Trend of Business in the Ninth District

The trend of business in this district is shown in Chart No. 1. This shows the money volume of payments through all banks in the twelve clearing-house cities in the Ninth District, which should not be confused with conditions for the whole United States. From January 1st to June 1st of this year, these payments through banks have been 22 per cent lower than in 1920, and appreciably lower than in 1919. After passing the seasonal peak of payments in the first week in June, the trend appears to be downward.

The totals increased slightly in May over April. Comparing the five-week periods ending June 1 and April 27, the increase was 1.8 per cent. This increase appears to be normal, as there was an increase of 1.9 per cent between like periods in 1920. When the five-week period ending June 1, 1921, is compared with the five-week period ending June 2, 1920, it appears that through the influence of declining business and receding prices, there has been a decline in money volume of payments of 26 per cent.

In more detail, it appears that all cities exhibited decreases in 1921 as compared with 1920, but the six cities of Billings, Duluth, Fargo, Great Falls, Minneapolis, and St. Paul enjoyed slight increases in May as compared with April of this year. The figures for different cities, omitting thousands, are given in Table No. 1.

than in May a year ago but probably reflects requests delayed from April. Relative to values, the total accommodation is undoubtedly greater than a year ago. This accommodation of the Federal Reserve Bank was passed on to the customers of member banks; and customers' demand deposits rose during the month, although savings deposits have begun to decline owing to the unsatisfactory employment situation. The first two weeks of June brought an increase in total accommodation of 2 millions, while member bank deposits with the Federal Reserve Bank rose 3 millions. Note issues declined over 7 millions in the six weeks ending June 15th, with a clearly defined tendency for the retirement of twenty-dollar bills and the use of more of the five-dollar denomination.

The problem of farm financing has not been solved. Short time credit needs are being provided for by this Federal Reserve Bank, and long time cattle loan needs are to be met by a recently formed agreement of northwestern and other bankers. However, the long time mortgage bank needs are pressing. Many northwestern bank loans will remain frozen until the mortgage loan market becomes more active. Local investment funds are going into municipal, corporate and foreign loans, while farm mortgage sales have declined.

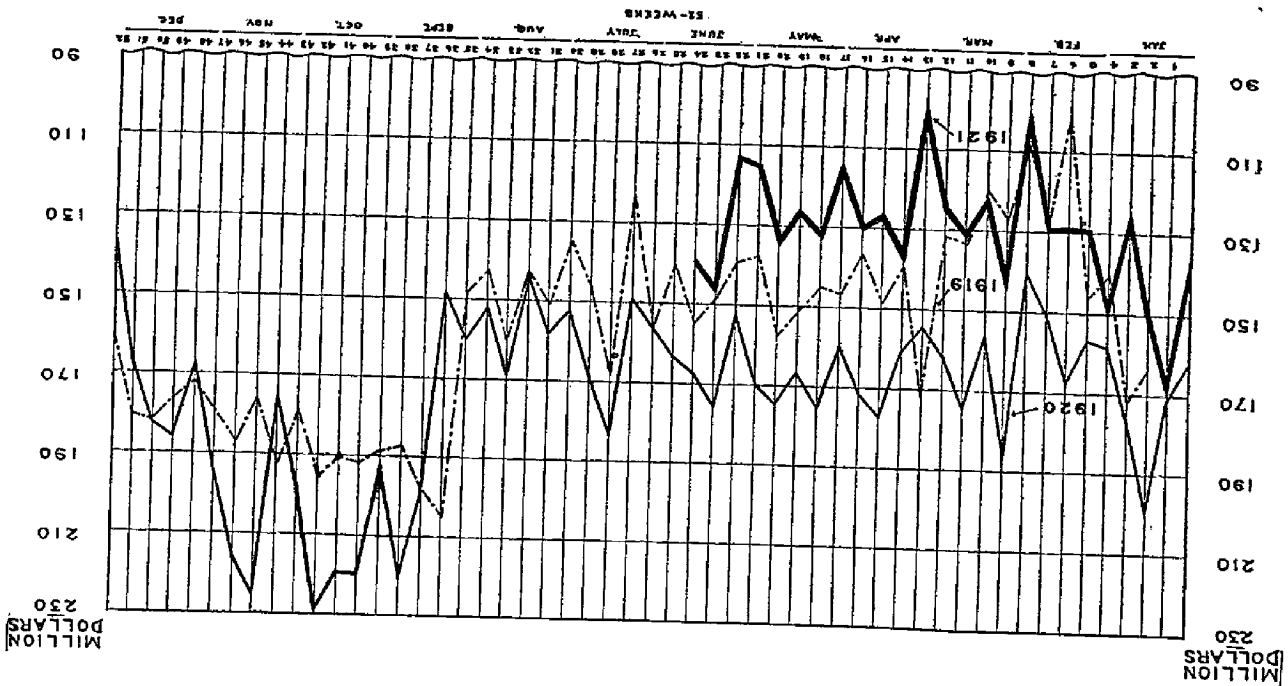


Chart I. Payments Through Banks in Clearing House Cities of the Ninth Federal Reserve District

# NINTH FEDERAL RESERVE DISTRICT

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**Table No. 1**  
**Payments Through Banks**  
(Thousands Omitted)

	5 Weeks Ending June 1	5 Weeks Ending Apr. 27	Per cent May of April 27th	5 Weeks Ending June 2 1920	Per cent May 1921 of May 1920	5 Weeks Ending Apr. 28 1920	Per cent May 1921 of May 1920
Aberdeen .....	\$ 6,592	\$ 6,655	99.1	\$ 9,203	71.6	\$ 8,757	105.0
Billings .....	8,521	8,389	101.6	11,742	72.6	12,674	92.8
Duluth .....	81,077	72,860	111.1	119,274	67.9	96,941	123.1
Fargo .....	12,686	12,183	104.0	17,088	74.3	17,158	99.5
Grand Forks .....	5,438	5,562	97.6	9,338	58.2	9,548	97.9
Great Falls .....	8,219	8,208	100.1	9,512	86.4	10,472	90.9
Helena .....	9,414	9,665	97.4	12,105	77.7	11,661	103.9
Minneapolis .....	321,090	320,771	100.2	434,605	73.9	415,006	104.6
St. Paul .....	135,238	132,330	102.1	165,245	81.9	189,617	87.3
Sioux Falls .....	19,977	20,160	99.1	34,830	57.2	34,990	99.7
Superior .....	9,316	9,429	98.9	10,256	90.9	10,692	95.9
Winona .....	4,910	5,132	95.8	5,902	83.2	6,917	85.4
<b>Total .....</b>	<b>\$622,478</b>	<b>\$611,842</b>	<b>101.8</b>	<b>\$839,095</b>	<b>74.1</b>	<b>\$824,433</b>	<b>101.9</b>

## Crop and Range Conditions

The month of May has been excellent from the standpoint of growing grains, although somewhat cool for corn. On the whole, conditions are more favorable in the district than for a number of years past. North Dakota reports the best crop prospects for the state since 1915, and northern Montana has the best prospects in four years.

Conditions this spring have been so favorable for growth that the total estimated spring wheat production in this Federal Reserve district is at least 36 million bushels more than the production of 1920. A few complaints have been received from North Dakota of damage by May wind and cut worms, but these reports are scattered and unimportant up to this time.

This increase in production is true despite a reduction in acreage in 1921. According to the Government estimate of June 1st, the spring wheat acreage in the Ninth Federal Reserve District is 6 per cent less than the acreage for 1920. Minnesota shows the greatest decline with a decrease of 12 per cent. The heaviest decrease in Minnesota occurred in the southeastern part of the state with the northwestern part a close second. Considerable idle land is reported in the latter section.

The acreage for oats in the Ninth District for 1921 showed a slight increase, Montana being the only state in the district whose acreage was below the 1920 figures. The increase in oats acreage is probably due somewhat to the cheapness of seed, the small amount of expense required for production and the excellent crop yield in 1920. Barley acreage in 1921 shows a slight decrease in the district, although Montana has a barley acreage equal to last year.

The Montana sugar beet acreage is larger than last year with a crop condition at this date of 95 per cent. The prospective hay crop in the whole district is very favorable. Montana will have

twice as large a crop as in 1919, and there was yet on Montana farms on May 1, 1921, 83 per cent of the 1920 crop, or 756,000 tons. The hay crop in South Dakota increased from a condition of 93 per cent on May 1st to 97 per cent on June 1st, and Minnesota and North Dakota also showed favorable prospects for a large hay crop. The apple crop has suffered some damage from frost during the month. Rainfall for May in Montana was the heaviest of any month in the past three years, with a precipitation of about 2½ inches. This was fairly well distributed throughout the state.

The condition of live stock in the Ninth Federal Reserve District on June 1st was excellent. Ranges are in good shape, and Montana reports an unusually large lamb and calf crop with very few losses. It is interesting to note that in the census report of June 8th, Minnesota ranked fifth among the states in number of cattle on the farms on January 1st, 1920, and third among the states in number of dairy cows of two years old and over. The total number of cattle on the farms in January, 1920, in Minnesota was 3,021,469, and the number of dairy cows over two years was 1,229,179. The good condition of the Minnesota pastures and live stock forecasts a prosperous year for the live stock industry in this state.

## Credit Conditions in the Northwest

The total accommodation demanded by Ninth District member banks and extended to them by this Federal Reserve Bank increased nearly 5 million dollars between May 4 and June 1. This extension of loans, coupled with redemptions of note issues totaling nearly 5 millions and a decline in member bank net reserve deposits of nearly 2 millions, necessitated the borrowing of over 11 millions from other Federal Reserve banks. Last year between the same dates, the total of accommodation increased only 3½ millions, while note redemptions required less than 1½ millions, and member bank reserves declined 2½ millions.

Between June 1 and June 15 the total accommodation extended by this Federal Reserve Bank increased 2 million dollars. Meanwhile there was a gain in net deposits of member banks of 3 million dollars, enabling us to reduce our borrowings from other Federal Reserve banks by one million dollars. Note redemptions and retirements were approximately  $2\frac{1}{3}$  millions for the first 15 days of June, which is practically the same amount as was retired during the first 15 days of May.

Thirty-five selected member banks in the larger cities during the 28-day period ending June 1 experienced an increase in customers' demand deposits of over 10 million dollars, while government deposits declined over 3 millions. Their total accommodation of all kinds to their customers increased over 3 millions, while their borrowings at the Federal Reserve Bank were increased by a similar sum. These banks purchased United States securities and increased their collateral loans secured by United States bonds or notes during the same period. The reserves with the Federal Reserve Bank were reduced by about one million dollars and vault cash decreased about one-half million dollars. Savings deposits in the Twin City member and savings banks declined about one per cent between May 1 and June 1 of this year, but are fully 10 per cent larger than on June 1 a year ago.

The local market interest rates declined between May 15 and June 15. There were reductions from  $7\frac{1}{2}$  to 7 per cent on customers' 4 to 6 month loans at banks; from 7 to  $6\frac{1}{2}$  per cent on commercial 30-60-90 day loans secured by Liberty Bonds or Certificates of Indebtedness; from  $7\frac{3}{4}$  to 7 per cent on 30 to 90 day commercial paper; and from 8 to  $7\frac{1}{2}$  per cent on 4 to 6 months' commercial paper. Rates on June 15 were substantially the same as a year ago.

The month of May witnessed a reduction of 10 per cent in the volume of commercial paper outstanding in this district, indicating that com-

mercial firms were continuing an orderly reduction in inventories and merchandise carried with borrowed funds. This reduction in commercial paper is not peculiar to our district but is quite general. The reduction in the preceding month had been 20 per cent. The reduction in May of this year was not as great as in May a year ago when the decline was 16 per cent. The total volume outstanding on May 31 is only slightly more than half of the total outstanding a year ago.

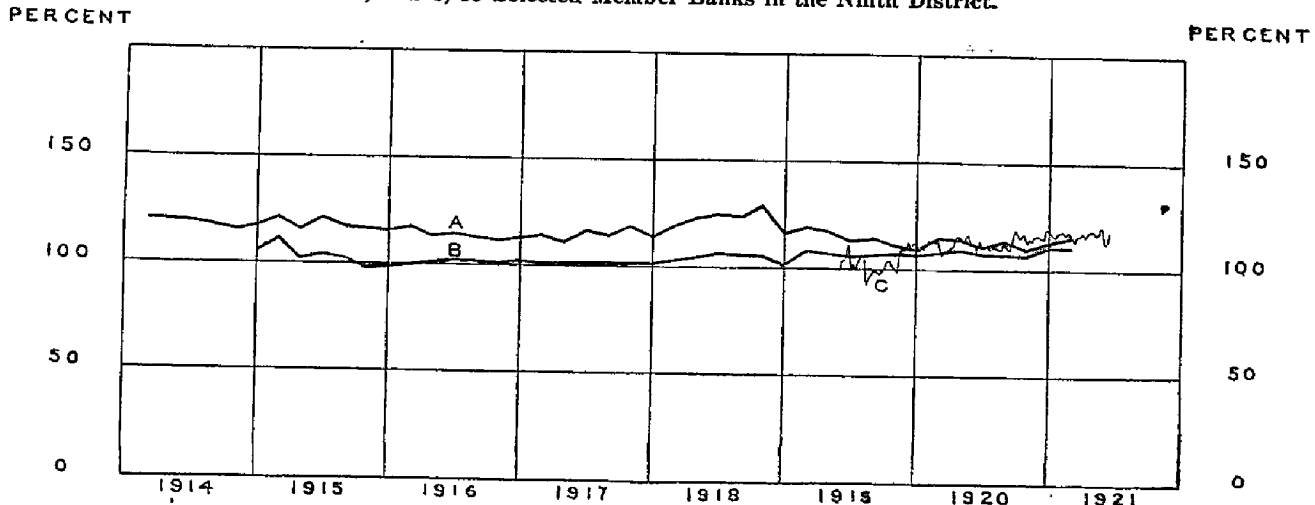
Credit conditions in the Ninth District are in contrast with those prevailing in the whole Federal Reserve System. Between May 4 and June 1 the twelve Federal Reserve banks experienced a reduction in earning assets of 157 million dollars, while their total reserves increased nearly 50 million dollars. A decline of 88 million dollars in notes outstanding and of 15 millions in member banks' net deposits show a tendency similar to that in the Ninth District.

#### Bank Credit Situation Index

The credit situation, past, present, and prospective, can always be determined by the ratio of loans to deposits. When the ratio of loans to deposits rises, either deposits are being withdrawn more rapidly than loans are being collected or loans are being expanded more rapidly than deposits are growing. In either case, the credit situation would not be so favorable with regard to the outlook for more liberal lending or much lower interest rates. On the contrary, when the ratio of loans to deposits declines, it is apparent that deposits are rising, filling up bank reserves; or, that collections of loans are being made; either of which will strengthen the bank position and indicate the probability of a more lenient lending policy or reduced interest rates.

Curve A in Chart II represents the ratio of loans, discounts, and investments (other than notes rediscounted at Federal Reserve Banks) to the total of demand and time deposits for all

Chart II. Ratio of Total Loans and Investments other than Rediscounts at Federal Reserve Banks to Total of Demand and Time Deposits for the United States and for the Ninth District: A, United States National Banks; B, Ninth District Member Banks; and C, 35 Selected Member Banks in the Ninth District.



national banks in the United States on the dates when calls were made by the Comptroller of the Currency, the last abstract of which was dated February 21. It is apparent from the decline in the curve, that credit conditions during the last two years have improved generally throughout the United States. Curve B is a similar ratio for all national banks located in the Ninth Federal Reserve District. And the trend of this curve during the last two years has been upward, indicating a much less satisfactory condition. However, the extent of loan expansion relative to deposits as shown by curve B is slightly less in the Ninth District than for the United States as a whole. We enjoyed an enormous superiority in this re-

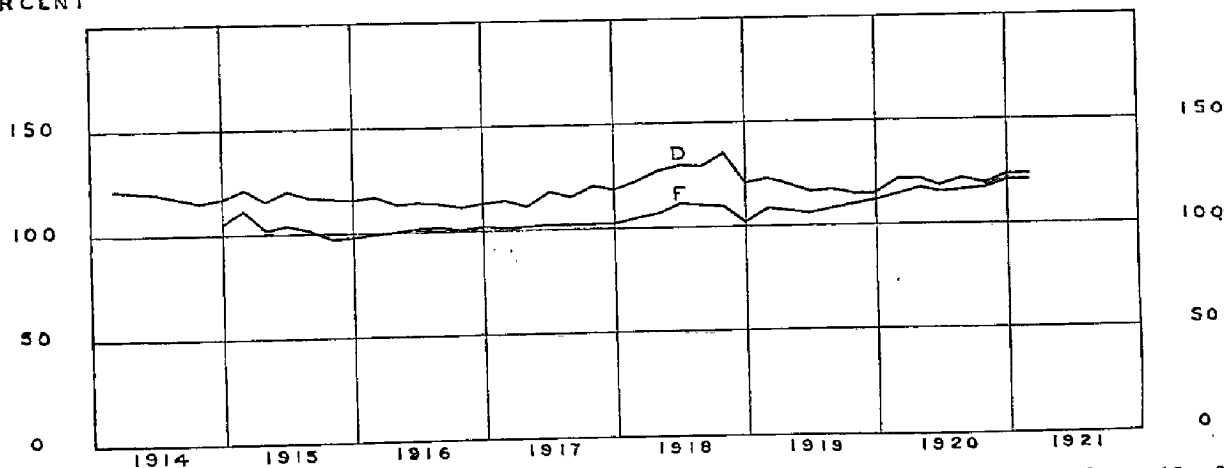
spect in 1918, but this rapidly disappeared in the years 1920 and 1921. Curve C reflects the more recent conditions for the larger city member banks. For these banks credit strain has increased since October, 1919, until very recently, and the recent improvement has not brought the ratio back to conditions as of a year ago.

Chart III shows the ratio of loans, discounts, and investments, including paper rediscounted at Federal Reserve Banks. Curve D, for all national banks in the United States, and Curve F for all member banks in the Ninth Federal Reserve District, show practically the same trends as in Chart II; but the percentage results are much higher when compared with pre-war years.

**Chart III. Ratio of Total Loans and Investments including Rediscounts at Federal Reserve Banks to Total of Demand and Time Deposits for the United States and for the Ninth District: D, United States National Banks; F, Ninth District Member Banks.**

PERCENT

PERCENT



## The Local Investment Market

A new investment security was introduced on June 15th by the offering of the United States 5¾ per cent 3 year Treasury Note; of which \$5,301,100 were taken by this Federal Reserve District.

Treasury Certificates of indebtedness were allotted to and purchased by this district to the extent of nearly 7 million dollars in May and more than 5 million dollars in June. The total of Certificates of Indebtedness purchased by this district since January 1 amounted to 31 million dollars. As a form of accommodation to our member banks and to individuals in this district, this bank has assisted in selling such certificates in odd amounts for those whose circumstances do not permit them to hold them to maturity. Such resales amounted to more than 4 million dollars in April and more than 6 millions in May. Resales from January 1 to June 15 have totaled nearly 22 millions of which more than 3 millions were sold to parties within our own district.

Reports received by this office from 19 of the largest and most representative concerns selling securities in this territory, indicate that their May sales were 36 per cent larger than in April, and about 39 per cent larger than in May a year ago. This tendency to increase the fund of capital available for industry and long term financing is a step in the right direction of replacing the capital destroyed during the war. When such new savings and capital replacement are coupled with reductions of governmental debts, there will be available a capital fund for new financing that will facilitate a substantial increase in new construction and consequent business activity.

Sales of corporate bonds were greater than last month and greater than a year ago, while sales of farm and city mortgages and stocks were less than last month and less than a year ago. Sales of foreign securities were larger than last month but less than a year ago. The bulk of available investment funds in this district is now being absorbed, by corporate, municipal and foreign bor-

rowings, while farm mortgages, upon which the northwestern farmer depends for his long time financing, are not moving as rapidly as heretofore. This decline in farm mortgage sales is probably due largely to the much higher interest rates offered by foreign and corporate investments, but may also be accounted for in part by better salesmanship of bond sellers and discouragement of farm mortgage brokers from competition with Federal Farm Land Banks.

### Ninth District Prices

Mixed tendencies were apparent in the price movement of important commodities in the Ninth Federal Reserve District during the month of May. Prices of grains and flour were up; live stock prices showed more declines than increases; and produce prices at wholesale showed about as many increases as declines.

Median prices of all cash grains but barley showed increases in May over April. (Table No. 2.) The price of barley remained stationary, while the median price of wheat was up 11 cents, corn 2 cents, oats 2 cents, rye 9½ cents, and flax 26 cents. The median is that price at which the number of bushels sold at a higher price is exactly equal to the number of bushels sold at a lower price. These median prices furnish an index of conditions prevailing throughout the month and are a means of simplifying the variations due to changes in daily quotations.

Table No. 2

Grain Prices	Month	High	Median	Low
Wheat—No. 1 Dark North- ern .....	May	\$1.96¾	\$1.68	\$1.44¼
	April	1.75¾	1.57	1.33
Corn—No. 3 Yellow.....	May	.57	.53	.49¼
	April	.54¼	.51	.47
Oats—No. 3 White.....	May	.38½	.35	.32½
	April	.35	.33	.31¼
Barley—No. 3 .....	May	.64	.57	.52
	April	.68	.57	.50
Rye—No. 2 .....	May	1.51½	1.33½	1.25¼
	April	1.40	1.24	1.16½
Flax—No. 1 .....	May	1.97½	1.84	1.66
	April	1.75	1.58	1.39½

The price of Washburn-Crosby's best flour (Table No. 3) rose \$1.25 a barrel between the last of April and the last of May in sympathy with the rise in wheat prices.

Table No. 3

	Last of April	Middle of May	Last of May
Washburn-Crosby Gold Medal Flour, two 98 lb. cotton sacks .....	\$8.10	\$8.85	\$9.35

Median prices of live stock at the South St. Paul market (Table No. 4) showed 3 decreases, 2 increases, and one price unchanged. Butcher cows and heifers were down 25 cents, hogs down 28 cents, and lambs down 50 cents, while butcher steers were up 25 cents, veal calves up 50 cents, and the median price of stock and feeder steers

remained the same as in April. The prices of high grade meats were weak during May, owing to diminished consumption of meats in warm weather and the relatively low prices quoted for eggs and dairy products.

Table No. 4

### Live Stock Prices

	Month	High	Median	Low
Butcher Cows and Heifers .....	May	\$8.00	\$5.50	\$3.75
	April	8.25	5.75	3.75
Butcher Steers .....	May	9.00	7.25	5.00
	April	8.75	7.00	4.75
Stock and Feeder Steers.....	May	9.00	6.50	3.75
	April	8.50	6.50	3.00
Veal Calves .....	May	9.00	7.00	2.00
	April	8.00	6.50	1.00
Hogs .....	May	8.25	7.72	6.50
	April	9.50	8.00	6.00
Lambs .....	May	12.00	9.00	4.00
	April	12.00	9.50	4.00

Produce prices at the Minneapolis wholesale market showed increases in eggs, cabbage, new beets, grape fruit, and lemons, and decreases in butter, cheese, four-pound hens, veal, dried peas, and green onions. High freight rates have had an influence this year in curtailing shipments of vegetables to market. Such shipments as are made are packed in cheap light-weight lugs instead of heavy crates, to reduce freight charges. This method of packing increases the percentage of damaged goods, but as more vegetables can be packed in a car the shippers find that it pays to pack in this way.

### Cost of Living

Between May 1st and June 1st, the cost of living in the Ninth District (Table No. 5) declined 1.7 per cent due principally to a 4.3 per cent decline in the cost of food. Two cities, Billings and Miles City, show increases in living costs between May 1st and June 1st, while the greatest declines appear at St. Paul and Grand Forks. From January 1st to the first of June, there was an 8 per cent decline in living costs in the district, and this decline was shared in varying degrees by all the cities investigated, with the exception of Miles City.

Table No. 5

Cost of Living	June 1, 1921	May 1, 1921	Jan. 1, 1921
Minneapolis .....	2,509.21	2,543.61	2,730.46
St. Paul .....	2,419.23	2,506.90	2,582.31
Duluth .....	2,336.17	2,336.64	2,650.35
Billings .....	2,300.68	2,249.94	2,505.31
Grand Forks .....	2,410.08	2,498.35	2,690.19
Miles City .....	2,389.63	2,302.96	2,368.22
District .....	2,451.91	2,496.47	2,663.45

Care must be exercised in interpreting the changes for the different cities. Possibly some of the differences may be due to variations in the quality of goods quoted in the different cities, although the article quoted has been the same in each succeeding month in the city where used.

The index number was conceived as the actual yearly cost of living for a family of three. Quotations have been secured for the price of twenty food articles, fifteen items of clothing for the winter six months, and thirteen for the summer six months, and the cost of housing, heat, light and gas. The items have been weighed according to their importance in the average family budget and weights have been included for furniture, and miscellaneous expense to cover such costs as insurance, medical treatment, amusement and savings. These latter costs do not fluctuate and have been included merely to prevent the variations in the cost of food and clothing from affecting the index number in too great a degree. The percentages of each item of expense correspond closely with the experience of about 100 families to whose budgets we have had access.

### Employment Conditions

The employment situation in the Ninth Federal Reserve District was less critical in May than in April. In the establishments in the Twin Cities which employed more than 500 men a year ago there was a 4 per cent increase in employment in May over April. In St. Paul there was an increase of 13.3 per cent, while in Minneapolis the number declined 1.7 per cent.

An analysis of the figures of the United States Department of Labor Employment Agencies at Minneapolis, St. Paul, and Duluth shows that there was a decrease in requests for services between May and April of 7 per cent, and that such requests were but 35 per cent of the number registered in May a year ago. At the same time there was a decrease of 3 per cent in the number of applicants placed in positions in May as compared with April and a decrease of 55 per cent as compared with May a year ago. The tendency of decreased applications for services is further shown by the analysis of want ads in a large Minneapolis daily newspaper where there were 3 per cent less applications in May than in April and 51 per cent less applications in May than a year ago. At the same time in this newspaper there was an increase of 10 per cent in advertisements asking for employment in May over April, and an increase of 77 per cent in May over May a year ago. In interpreting the figures of this paragraph it should be borne in mind that an increase in registrations of unemployed does not necessarily mean that there was an increase in unemployment. It is quite probable that the figures should be interpreted to mean that some of the men who have been awaiting the reopening of the establishments with which they were formerly connected have now given up hope of an early reopening of the plants and are registering at employment bureaus to secure whatever work may be available.

On June 1st the union printers of this district went on strike for a forty-four hour week with the same weekly wages as on the present 48 hour basis. The employers in the printing trade have retaliated by employing non-union men or men willing to recognize the "open shop." There has been no adjustment of the dispute as yet.

In Montana there is a temporary increase in unemployment owing to the shutting down of the large mines of that state. Mining labor is being absorbed by the farms. Farm labor in Montana is plentiful and commands about one-half the wage that was paid last year.

### Business Failures

In May, 1921, there were 59 failures in the Ninth Federal Reserve District with total liabilities of \$1,203,396, according to figures reported by Dun's Review. (Table No. 6.) These figures show an increase of 51 per cent in number and 102 per cent in liabilities over the April figures. When compared with the failures for May, 1920, they show an increase of more than 200 per cent in number and more than 600 per cent in liabilities. The number of business failures in May was the highest of any month during 1921 or 1920.

Table No. 6

#### Business Failures

	May, 1921	April, 1921	May, 1920
Ninth District .....	59	39	18
Number .....			
Liabilities .....	\$1,203,396	\$593,718	\$163,487

### Lake Traffic

The volume of freight passing through the Soo Canals during the month of May (Table No. 7) was more than 6 times the volume in April, since the shipping season opened about the middle of April. Westbound freight in May as compared with a year ago showed an increase of 193 per cent. Eastbound freight, however, in May, 1921, was less than one-half of the amount handled in May a year ago, owing to the fact that iron ore shipments were only one-third as large as last year. A further analysis of the important items of eastbound freight shows that there was an increase in May of this year over May a year ago of 35 per cent in flour and 5 per cent in grains other than wheat. Shipments of wheat between the same periods declined 6 per cent and there were large declines in copper and iron ore.

Table No. 7

#### Traffic Through the Soo Canals

	May, 1921	April, 1921	May, 1920
East Bound (SH. T.).....	3,407,827	513,458	7,483,836
West Bound (SH. T.).....	2,747,236	438,673	937,374
Total (SH. T.).....	6,155,063	957,131	8,421,210



At the Duluth-Superior Harbor the coal receipts (Table No. 8) in May were 8 times as large as in April. Soft coal receipts increased 12 times and hard coal receipts 2 times as large as in April. As compared with May a year ago, soft coal receipts increased 443 per cent and hard coal receipts showed an increase of 109 per cent. Combined receipts of all coal in May of this year increased 367 per cent over the figure for May a year ago. From the opening of navigation to the end of May this year the total coal receipts at the Duluth-Superior Harbor were more than 4 times as large as in the corresponding period of last year, owing to an increase of 42 per cent in hard coal and 463 per cent in soft coal receipts.

Table No. 8

## Coal Receipts

	May, 1921	April, 1921	May, 1920
Soft Coal, Tons.....	1,548,880	120,212	285,333
Hard Coal, Tons.....	173,190	83,058	83,058
Total .....	1,722,070	203,270	368,391

## Postal Receipts

Postal receipts exhibited declines in each of the three cities of Minneapolis, St. Paul and Duluth (Table No. 9) in May as compared with April and increases as compared with May a year ago. For the three cities combined, the decline in May as compared with April was 6 per cent and the increase as compared with May a year ago was 10 per cent.

Table No. 9

## Postal Receipts

Station	May, 1921	April, 1921	May, 1920
Minneapolis .....	\$378,274	\$391,013	\$349,401
St. Paul .....	226,920	249,089	198,894
Duluth .....	50,509	55,538	47,919
Total .....	\$655,703	\$695,640	\$596,214

## Grain Movement

Receipts of all grains combined at Minneapolis and Duluth (Table No. 10) declined 9 per cent in May as compared with April and were 11 per cent below receipts in May a year ago. The decline in May from the April figures for grain receipts was due to declines in wheat and rye at Duluth and wheat at Minneapolis. May receipts of all grains at Minneapolis were 3 per cent below April receipts and 3 per cent larger than receipts in May a year ago. At Duluth the May receipts were 21 per cent lower than April receipts and 35 per cent below the figure for May of last year. Shipments of all grains at Minneapolis and Duluth showed the same tendency as receipts, exhibiting a decline of 11 per cent in May as compared with April and 30 per cent as compared with a year ago.

Wheat receipts and shipments were down 2 million bushels each in May from the April figure. Minneapolis and Duluth each experienced a de-

cline of one million bushels in wheat receipts and shipments. Between the same periods receipts of corn, oats, barley, and flax at Minneapolis and Duluth combined exhibited substantial increases and there were increases in shipments of oats, barley, and flax.

Receipts and shipments of flax at Duluth were particularly heavy in May as compared with April and as compared with a year ago. Duluth receipts of flax in May were 3 times as large as in April and 7 times as large as in May a year ago, while Duluth shipments of flax in May were more than 5 times as large as in April and 7 times as large as in May of last year.

Table No. 10

Receipts	May, 1921	April, 1921	May, 1920
Wheat, bushels .....	8,009,675	10,097,912	9,133,250
Corn, " .....	737,972	654,864	387,270
Oats, " .....	994,605	764,595	1,055,384
Barley, " .....	996,476	700,679	918,609
Rye, " .....	834,431	967,273	2,205,876
Flax, " .....	997,955	576,932	367,178
Total " .....	12,571,114	13,762,255	14,067,567
Shipments			
Wheat, bushels .....	5,464,006	7,334,550	7,040,214
Corn, " .....	780,929	1,434,571	309,210
Oats, " .....	1,681,052	1,077,549	1,670,476
Barley, " .....	1,006,053	881,803	866,042
Rye, " .....	876,230	1,026,571	5,282,087
Flax, " .....	937,385	256,825	142,740
Total " .....	10,745,605	12,011,869	15,310,769

Total stocks of all grain in Minneapolis and Duluth terminal elevators (Table No. 11) were 18 per cent less on May 31 than on April 30, but were 33 per cent larger than at the end of May, 1920. Stocks at both Minneapolis and Duluth were smaller in May than in April and Minneapolis stocks were slightly smaller than in May, 1920, but Duluth stocks at the end of May of this year were nearly three times as large as in May a year ago. All grains showed declines in stocks at the end of May as compared with the end of April in the two cities combined. As compared with last year, wheat stocks were only 25 per cent this year of last year's figures, and barley and rye showed declines of 35 and 45 per cent. Corn stocks increased to more than twice the 1920 figure; stocks of oats were 8 times as large; and stocks of flax were 33 times as large this year as last.

Table No. 11

Minneapolis and Duluth	May, 1921	April, 1921	May, 1920
Grain Stocks			
Wheat, bushels .....	1,846,752	4,087,564	7,312,314
Corn, " .....	189,069	410,055	80,632
Oats, " .....	13,181,554	14,069,675	1,595,796
Barley, " .....	715,219	939,967	1,101,061
Rye, " .....	197,845	325,926	3,664,003
Flax, " .....	2,184,498	2,604,147	64,891
Total " .....	18,314,937	22,437,334	13,318,697



### Flour Production and Movement

Flour production of mills producing 75 per cent of the flour milled in this district (Table No. 12) for the 5 weeks ending June 4th declined 11 per cent from the production for the preceding 5 weeks, and was down 9 per cent from the production of the corresponding 5 weeks a year ago. Production at Minneapolis, St. Paul, and outside points, with the exception of Duluth and Superior, showed a decline of more than 12 per cent between April and May. At Duluth and Superior flour production increased 16 per cent in this period. When the production in the various cities in May, 1921, is compared with that in May a year ago, it appears that flour production in St. Paul increased 81 per cent; while production in the other cities of the district declined.

Table No. 12	Bbls. in 5 weeks ending June 4, 1921	Bbls. in 5 weeks ending April 30, 1921	Bbls. in 5 weeks ending June 5, 1920
Flour Milled at			
Minneapolis .....	1,167,630	1,320,910	1,343,640
Duluth-Superior .....	65,125	56,260	99,765
St. Paul .....	52,615	62,045	29,100
Outside .....	766,155	873,170	780,485

All Mills ..... 2,051,525 2,312,385 2,252,990

Receipts of flour at Minneapolis and Duluth more than doubled between April and May, but were down 8 per cent as compared with May a year ago. Flour shipments increased 31 per cent in May over April and were 5 per cent greater than in May, 1920. The increase in the flour movement in May as compared with April was due entirely to an increased movement at Duluth, where receipts increased 189 per cent between April and May and shipments increased 355 per cent (Table No. 13).

Table No. 13	May, 1921	April, 1921	May, 1920
Minneapolis and Duluth			
Receipts, barrels .....	706,682	309,880	767,583
Shipments, barrels .....	1,833,346	1,404,289	1,753,827

Flour exports from Minneapolis mills amounted to 94,955 barrels in May, or an increase of 4 per cent over the April figure and an increase of 54 per cent over the export figure for May a year ago. Flour exports from Minneapolis for the first five months of 1921 were fully 50 per cent larger than exports during the corresponding period in 1920. It should be noted, however, that a much poorer grade of flour is being exported this year than last.

### Live Stock Marketing

Receipts of live stock at the South St. Paul market (Table No. 14) increased 12 per cent in May over April. The receipts of all meat animals increased while the receipts of horses declined 24 per cent. Shipments in May increased 11 per cent over the April figure due to increases in the shipments of sheep and hogs. As compared with

May a year ago there was a decline of 20 per cent in receipts and 14 per cent in shipments.

The movement of sheep in May was considerably stronger than in April. Receipts were 60 per cent greater and shipments were three times as great. This increase in the number of sheep handled was partly due to shipments from California, Tennessee, and Kentucky. The movement of sheep in May was also larger than in May a year ago. Receipts this year were 28 per cent greater than in May last year and shipments were greater by 269 per cent.

Shipments of feeders were 13 per cent less in May than in April and 36 per cent less than in May a year ago. These declines were due to decreases in cattle, calves, and hogs. Shipments of sheep in May for feeding purposes more than doubled the April figure.

Receipts of all live stock in the first five months of 1921 were 7 per cent less than in the corresponding period of 1920. Receipts of all classes of live stock declined except sheep which increased 42 per cent. Shipments increased 8 per cent in the first five months of 1921 over the corresponding period of a year ago due to increases in shipments of hogs, sheep, and calves.

Table No. 14

A	May, 1921	April, 1921	May, 1920
Total Receipts			
Cattle .....	35,220	34,506	47,379
Calves .....	34,524	29,867	35,858
Hogs .....	175,540	156,569	228,866
Sheep .....	12,186	7,621	9,492
Horses .....	824	427	271
Total Head .....	257,794	228,990	321,866
B			
Total Shipments			
Cattle .....	18,392	20,593	30,159
Calves .....	2,825	4,126	3,912
Hogs .....	34,739	27,476	33,951
Sheep .....	3,624	1,201	983
Horses .....	843	389	256
Total Head .....	59,923	53,785	69,261
C			
Shipments of Feeders			
Cattle .....	12,816	15,157	22,022
Calves .....	351	368	2,439
Hogs .....	8,599	9,874	10,420
Sheep .....	745	324	227
Total Head .....	22,511	25,723	35,108

### Retail Trade

Reports from 13 stores in the Ninth Federal Reserve District indicate that sales in May were 15 per cent less in dollar value than in May a year ago, and that total sales for the first five months of 1921 were 7 per cent below the figure for the corresponding period last year. The cost price of stocks on hand at the end of May was 4 per cent lower than that at the end of April and 34 per cent under the figure for stocks on May 31, 1920.

June 27, 1921

## Building Operations

New projects for building in the Ninth Federal Reserve District as indicated by the number and valuation of permits issued by building inspectors in nine important cities (Table No. 15) declined 13 per cent in number and 19 per cent in valuation in May as compared with April. New projects in May, 1921, as compared with May a year ago showed an increase of 43 per cent in number of permits and 7 per cent in valuation. Only four of the cities, Duluth, Fargo, Missoula, and Helena reported more permits in May than in April. The valuation of permits in May was larger than the valuation in April in all but the three cities of St. Paul, Fargo, and Superior. Minneapolis exhibited a 40 per cent increase in valuation in May over April on account of the granting of a building permit for the erection of a new school building, but this increase was more than offset by a 62 per cent decline in valuation of permits issued at St. Paul.

Dividing the permits given for building into those for new construction and alteration and repairs, it appears that during the year from June 1, 1920, to May 31, 1921, 81.5 per cent of the valuation of permits granted was for new construction, and 18.5 per cent for repairs. The number of permits granted in the same period for new construction was 61.5 per cent of the total and the number for repairs 38.5 per cent of the total.

total. From this analysis it appears that the average permit for new construction was \$3,244, and for repairs and alterations, \$1,179. It is interesting to note that in making a similar analysis of number and valuation of permits for May, 1921, the average permit for new construction was \$2,511, and for repairs and alterations \$562, indicating either that there were more small buildings projected in May than the average or that prices of building construction have been reduced materially during the year.

An analysis of classified advertising in a large Minneapolis daily newspaper indicates that the housing situation is rapidly improving. In May as compared with April there were 29 per cent more advertisements of houses for rent, showing an increase both in furnished and unfurnished houses. Between the same periods there was an increase of 21 per cent in furnished and unfurnished apartments. Combining the figures for houses and apartments there were 23 per cent more advertisements in May than in April. As compared with May a year ago, there were 45 per cent more advertisements for houses and apartments. This increase was due to an increase of 77 per cent in the number of apartments for rent. Advertisements of houses for rent decreased 17 per cent, indicating that renters in Minneapolis are showing a preference for houses over apartments.

Table No. 15

Minneapolis	1,243	1,459	85.4	935	May, 1920	130.6	\$2,271,485	107.6	\$4,062,938	Total
St. Paul	606	730	83.1	296	May, 1920	87.2	1,021,308	8.6	15,050	Helena
Duluth	353	346	101.9	274	May, 1920	128.9	380,370	44.6	26,100	Grand Forks
Fargo	87	82	106.0	54	May, 1920	126.8	56,488	40.9	8,175	Great Falls
Superior	52	55	94.5	41	May, 1920	126.8	113,660	106.0	31,015	Missoula
St. Louis Falls	52	55	94.5	41	May, 1920	126.8	58,303	227.9	71,755	Superior
St. Louis Falls	52	55	94.5	41	May, 1920	126.8	58,303	133.9	62,128	St. Louis Falls
St. Louis Falls	52	55	94.5	41	May, 1920	126.8	58,303	133.9	62,128	St. Louis Falls
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St. Louis Falls	52	55	94.5	41	May, 1920	126.8	58,303	133.9	62,128	St. Louis Falls
St. Louis Falls	52	55	94.5	41	May, 1920	12				

### Linseed Oil and Oil Cake

Shipments of linseed oil and oil cake (Table No. 16) in May, 1921, were down 12 per cent from the April figures, but showed a slight increase over shipments in May a year ago.

Table No. 16

	Shipped May, 1921	Shipped April, 1921	Shipped May, 1920
Linseed Oil, pounds....	8,357,069	9,306,416	9,504,053
Oil Cake, " ....	10,869,041	12,445,892	9,464,634
Total " ....	19,226,110	21,752,308	18,968,687

### Mining

Iron ore shipments (Table No. 17) from Upper Great Lake ports were much larger in May than in April, due to the fact that navigation was open only for a small part of April. Shipments for May were, however, only 37 per cent of shipments in May a year ago, and total shipments from the opening of navigation this year to May 31st were but 38 per cent of shipments during the similar period last year.

Table No. 17

	May, 1921	April, 1921	May, 1920
Iron Ore Shipments			
Short tons.....	2,594,027	176,211	6,976,085

Copper mining by companies producing 75 per cent of the copper ore extracted from this district reported a decrease of 3 per cent in copper mined in May from the figure for April. (Table No. 18.) May production of copper as indicated by the number of pounds of refined copper, however, was less than one quarter of the production in May of last year, indicating a period of extreme dullness in the copper industry. The number of men employed by our reporting copper companies decreased 5 per cent between April and May, and was less than 43 per cent of the number employed a year ago.

Table No. 18

	May, 1921	April, 1921	May, 1920
Copper			
Pounds of Refined Metal..	4,685,641	4,816,453	20,817,776

Coal mining in Montana during May had not improved in activity. Reports received show that the majority of the companies worked less than 10 days during the month and that advance orders would not warrant increased production in June.

### Lumber

The lumber industry (Table No. 19) showed more activity in May than in April and compared more favorably with the activity a year ago than

it has in any recent month. Manufacturers' lumber cut was 40 per cent greater in May than in April and 2 per cent larger than in May a year ago. Lumber shipments were 3 per cent less in May than in April and were only 20 per cent below the figure for May a year ago. This latter fact indicates an improvement in the industry, for shipments in recent months have been not more than one-half of the shipments in the corresponding months of 1920. Lumber retailers' sales in board feet increased 28 per cent in May over April, and were only 4 per cent less than in May a year ago, while their stocks at the end of May were approximately as large as at the end of April, and were 29 per cent below the figure for May 31st last year. The turnover of the lumber retailer as indicated by the facts above has increased.

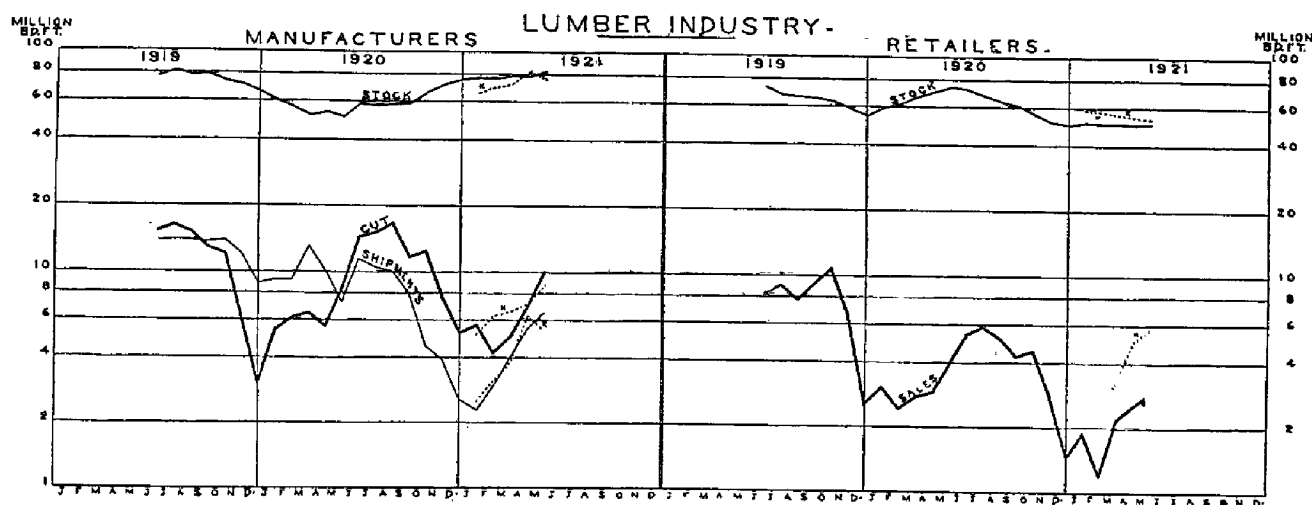
Table No. 19

Manufacturers	May, 1921	April, 1921	May, 1920
Lumber cut (Bd. ft.)	29,576,260	21,148,743	23,798,640
Stock on hand " "	298,304,502	285,885,672	201,778,033
Shipments " "	17,814,160	18,452,653	22,221,402
Retailers			
Sales (Bd. ft.)	14,085,336	11,038,261	14,600,622
Stocks on hand " "	124,194,568	125,317,764	174,288,976

There has been some improvement in lumber cut and retail lumber sales. This is shown by Chart IV, covering the activity in the lumber industry of the Ninth District during the last two years, including the stocks and sales of retailers, and stocks, shipments, and cut of manufacturers, all in board feet. The sales of these retailers do not coincide with the shipments of these manufacturers, because the manufacturers of lumber in this district ship to all parts of the United States, and our retailers as well buy much of their lumber from other districts.

These curves are based on figures received monthly from six representative lumber manufacturers and four lumber retailers throughout the two years. However, the curves labeled "K" represent figures for eleven representative firms of each type, divided by two, for the purpose of comparison, and will be used in making future charts. In order to make comparisons possible between the stocks, which are much larger than the sales, cut, and shipments in any one month, it was necessary to use the logarithmic plot for this chart.

Chart IV.



### LATEST CROP REPORTS

The next two weeks are the most critical in this crop year and the outlook may change in 24 hours. The latest available information, however, as reported to us by representative bankers on June 24th, indicates that crop conditions are excellent at this time in the Ninth Federal Reserve District with the exception of a few scattered sections where rain is badly needed. The best reports come from Minnesota, eastern North Dakota, and Montana. Throughout the whole district corn is from one to two weeks further advanced than an average year and is growing fast. To date we have received no reports of rust; and damage from grasshoppers, cutworms and other insects is confined to small sections.

In Montana irrigated crops are in very good condition, and winter wheat is fair with some thin stands, while spring wheat, oats, barley, potatoes and apples are all in fine condition. Rye is fair to good with some damage from drouth and heat. Livestock and pastures are in excellent condition.

The only parts of the district reporting that rain is badly needed are northeastern South Dakota, from Webster to Huron, and near Hardin, Montana. Some sections south and west of Webster are badly burned, but the territory around Huron has a chance for an excellent crop if rain falls within the next few days. With rain, Sioux Falls prospects are still good, while Redfield and DeSmet can have only a half crop. Heavy showers have fallen over the whole state of Montana during the past week, which in the sections around Glendive, Helena and Miles City came just in time to save the excellent crop prospects. Miles City has had five inches of rain in ten days. The western part of North Dakota has also received sufficient rain for the time being, but will need rain in the near future. Some damage from rains and hot weather is reported from Bowman.

Some damage is also reported from grasshoppers, cutworms and other insects, and hail. Helena, Glendive and Miles City, Montana, report some grasshopper damage. There is one poor section of crops from Glendive up the Yellowstone river. However, these scattering reports of damage are not great enough at present to change the general conclusion that the present outlook for crops is very favorable.

Additional crop information will be found on page 3.