

CROP and BUSINESS CONDITIONS

NINTH FEDERAL RESERVE DISTRICT

REPORT OF

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TO THE

FEDERAL RESERVE BOARD

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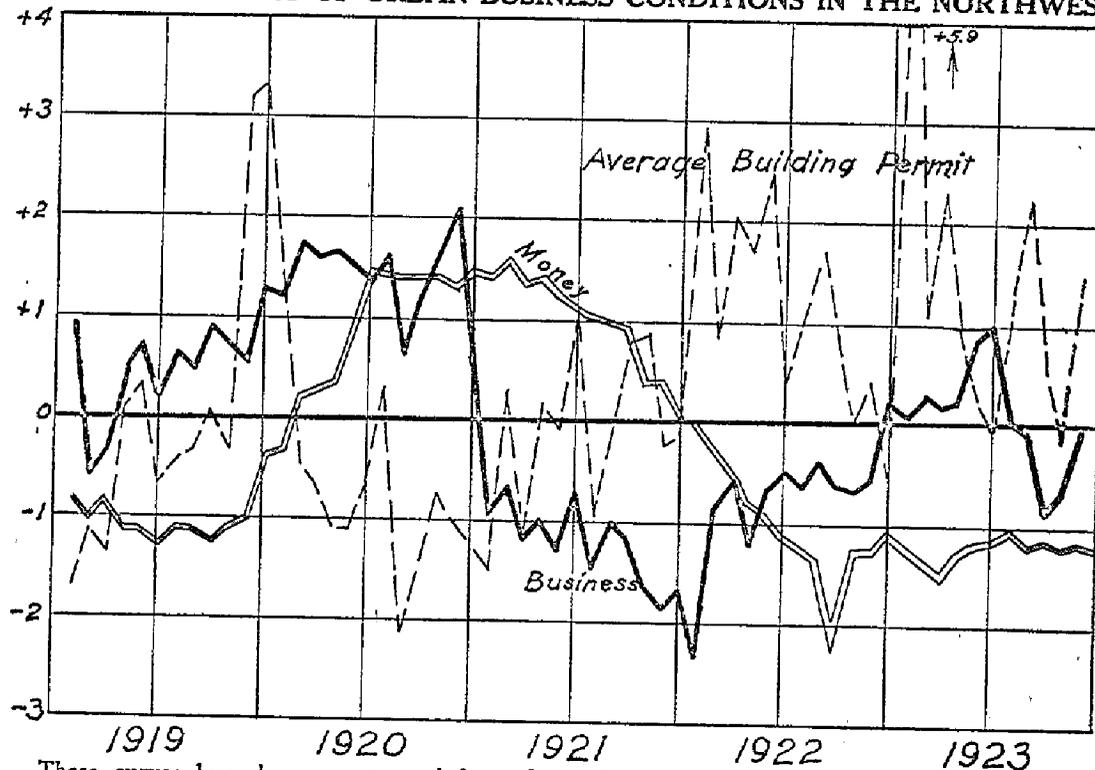
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MINNEAPOLIS, MINN.

December 28, 1923

EDITORIAL NOTICE:—This report is prepared monthly in the office of the Federal Reserve Agent for the purpose of providing the Federal Reserve Board with complete, accurate, and impartial information concerning business conditions in the Northwest. It is also printed for public use and will be mailed free of charge to anyone making request.

GRAPHIC SUMMARY OF URBAN BUSINESS CONDITIONS IN THE NORTHWEST



These curves have been constructed from data collected by this office and adjusted to eliminate seasonal influences except for money rates.

BUSINESS: The best single available index of general business is individual debits. These represent the aggregate dollar value of all payments made by bank checks, and therefore reflect both the volume of business and the prevailing prices. Nine representative cities for which we have consecutive figures are combined in this curve.

AVERAGE BUILDING PERMIT: The number and value of building permits granted are customarily accepted as indicative of prospective business activity. This graph, however, shows the average size of building permits for eighteen selected cities, thereby giving greater weight to the larger projects which are either started or deferred because of business considerations, and which have a determining influence upon the degree of activity in the building trades and in the supply of materials. To a certain extent this curve furnishes an index of business sentiment which is made up very largely of confidence in the stability of prices. The variation of building material prices, as compared with 1913 levels, has been eliminated in constructing this graph.

MONEY: Commercial money rates have been averaged for 13 varieties of paper in Minneapolis. National rather than local business conditions determine this rate, but it is an important consideration in local enterprises.

DISTRICT SUMMARY FOR THE MONTH

The total money volume of business transacted in this district in November was apparently normal for this time of the year and fully five per cent greater than a year ago. Wholesale trade, retail trade in the cities, lumber manufacture, linseed products production, the mining of copper and iron, and the coat movement on the Great Lakes all registered gains over a year ago. However, the high levels reached in October were not maintained in November by wholesale trade and retail lumber sales, retail merchandise sales, or lumber manufacturers. Linseed products had the greatest volume for any November since our record began in 1911 but Minneapolis flour production had the smallest production for any November since our record began in 1910.

A heavier than normal movement to market of wheat, corn and hogs prevailed in November. Prices of the grains and of all livestock except cattle and lambs declined during the month. Hogs reached the lowest price since pre-war days with receipts one-fourth greater than during October or during November a year ago. The demand for corn has remained strong enough to sustain its price above that of a year ago even with the very heavy marketing movement in November.

Prospective business activity as reflected by building permits granted in the important cities of this territory has improved. A more than 50 per cent increase in valuation of building projects, when normally a decline is expected in November, indicates the probability of satisfactory employment conditions in the cities this winter. The fact that wholesale building material prices declined and money conditions became easier in November is significant in this connection. The present volume of business is therefore better than during any one of the last few months. The expansion of Federal Reserve notes by several millions in November and early December in the face of unseasonably mild weather indicates the probability of fairly satisfactory pre-Christmas sales.

TOPICAL REVIEWS

The salient facts of the grain situation in the Northwest during November as compared with last year are given in the following table, in which a percentage comparison is made of 1923 and 1922 with reference to the total crops, November receipts, November 30 stocks, exports from July to November and the prices of representative grades of the various grains. A careful study of this table is recommended to those interested in these subjects. The inter-play of forces upon prices is very evident. The greatest decline from last year occurred in the price of rye, which was down one-fifth, owing to a domestic and foreign demand so slight that, although the crop was less than one-half as large in 1923 as in 1922 and November receipts were even smaller, the terminal stocks of this grain were nearly three times as large. On the other hand, the price of corn

was slightly larger in November, 1923, than a year ago, owing to the wide demand for this grain, which has kept stocks down to less than 4 per cent of a year ago in spite of a crop one-fifth larger and November receipts more than five times as large. The prices of oats, barley and flax are only slightly smaller than a year ago and the price of wheat is appreciably lower.

	% 1923 Crop	% Nov. Receipts in 1923	% Stocks at end of Nov., 1923	% Exports July-Nov. 1923	% Nov. Median prices in 1923
Wheat	64.0	95.2	201.2	66.4*	92.3
Corn	122.3	535.0	3.7	7.8	105.7
Oats	99.0	131.5	21.5	7.0	98.1
Barley	97.2	108.7	108.9	58.3	98.3
Rye	49.7	43.1	277.1	34.8	79.6
Flax	169.2	187.0	1552.0	97.2

*Including flour reduced to wheat equivalent.

The volume of business in northwestern cities during November was about 5 per cent smaller than during October, which is ordinarily the business peak in this territory. This small decline was not as great as ordinarily occurs and consequently there has been a strong upward movement in our business curve shown elsewhere in this report. November business, judged by this index, was about normal and was 5 per cent larger in dollar amount than a year ago.

Soo Canal traffic eastward bound during November was one-fifth lower than in October, but almost one-fourth greater than a year ago in November. The decline between October and November was due to a pronounced falling off in iron ore, copper and lumber shipments, but wheat and other grains and flour showed good increases between these two months. As compared with a year ago, shipments of all the items mentioned, except lumber, were larger.

Building permits granted in eighteen northwestern cities declined 23 per cent in number and increased 51 per cent in valuation between October and November; and both number and valuation of permits granted were much larger than a year ago. Normally at this season of the year, there are pronounced declines in both number and valuation of permits granted and consequently the figures in November this year show a marked upward trend, if an adjustment is made to correct the figures for seasonal influences. The valuation curve increased more rapidly than the curve of the number of permits and the effect has been to lift very sharply the curve of the average building permit, shown on the first page of this report. The abnormal increase in valuation of building permits was almost entirely caused by large permits for building operations projected in St. Paul.

Manufacturing in this district continued to show marked contrasts between the linseed and flour industries. Shipments of linseed oil from Minneapolis

during November since our record decline from one-tenth to two-thirds last year ago in November.

Minneapolis one-fourth in and amounted to the figure. This was the record was stable where in this year as in October.

Lumber prices subject to seasonal fluctuations, declined markedly. The stock of lumber remained at about the same level as in the same month a year ago. Their half larger orders received of the two per cent larger, the evidence of prospective about one-fifth than a year ago.

Wholesale prices of many commodities declines were noted. In fact, prices of many commodities were lower. Hardware prices increased in many goods. As for shoes, in fact, far more than a year ago.

Retail sales in the country. Retail lumber available in the district normally the of seasonal ever, were November store sales and November are about. Consequently the completely ment store-

NINTH FEDERAL RESERVE DISTRICT

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ing November were the largest in any November since our record began in 1911, but showed a slight decline from October. Oil cake shipments increased one-tenth between October and November and were one-third larger than in November a year ago.

Minneapolis flour production was reduced nearly one-fourth in November from the October output and amounted to only 1,112,000 barrels, according to the figures compiled by the Northwestern Miller. This was the smallest November total since our record was started in 1910. Flour production elsewhere in this district was about as large in November as in October, but was slightly smaller than a year ago in November.

Lumber manufacturing in this territory was subject to seasonal influences during November. Orders declined, shipments and the cut of lumber at the mills declined materially from the October amount and the stock of lumber in manufacturers' hands remained at about the same level. More important is the comparison between November, 1923, and the same month last year. The mills showed a much greater activity this year in November than a year ago. Their output of lumber was more than one-fifth larger. However, their shipments and new orders received were about the same in November of the two years and their stocks of lumber were 7 per cent larger this year than last. If we can accept the evidence of employment figures as conclusive of prospective activity this winter, the outlook is for about one-fourth more lumber production this year than a year ago.

Wholesale trade showed more declines than increases between October and November and the declines were more marked. The greatest decline, as might be expected from their seasonal nature, occurred in farm implement sales, which were one-fifth lower. Shoe sales declined one-fourth and hardware one-tenth, but there were very slight increases in sales of wholesale groceries and dry goods. As compared with November a year ago, however, every line reported larger sales, except shoes, in which there was a decline of nearly one-third. Farm implements sales especially were up more than one-fourth, giving evidence of some increase in the purchasing power of the farmer.

Retail sales in November showed improvement in the country, but were disappointing in the cities. Retail lumber sales in board feet, which are the best available index of rural retail trade, declined only one-fifth between October and November, but normally the decline is somewhat greater on account of seasonal influences. Retail lumber sales, however, were not as large by one-seventh as sales in November a year ago. In the cities, department store sales declined 11 per cent between October and November, although normally November sales are about as large as those in October, and consequently the gain of October in volume of trade was completely wiped out. November sales of department stores were about as large as November sales

last year. Stocks of merchandise did not change greatly during November but department store stocks were larger than a year ago and retail lumber stocks were slightly smaller.

Banking conditions in the cities of this district showed a seasonal slackening in the demand for working capital during the month of November and the first part of December. Loans declined, the volume of commercial paper was not enlarged, savings deposits increased slightly, borrowings from the Federal Reserve Bank declined and interest rates were lowered. In the country districts, there has also been some liquidation of borrowings from this Federal Reserve Bank.

The balance sheets of twenty-eight selected member banks in the larger cities of this district showed a reduction in loans of nearly two million dollars, accompanied by a somewhat larger decline in demand deposits. However, time deposits increased one million and security holdings were reduced more than one million and these banks were able to increase their reserves $1\frac{1}{2}$ millions and reduce their borrowings from this Federal Reserve Bank nearly five millions. During the first week in December, there was a further reduction of nearly one million dollars in loans, accompanied by a smaller decline in demand deposits, and security holdings were again reduced by one-half million dollars, so that reserves were increased slightly and borrowings from this bank were reduced a trifle.

Commercial paper outstanding in this district increased only two per cent during November, but the volume was 55 per cent larger than a year ago at this time.

Prevailing interest rates at Minneapolis indicated increasing comfort in the money situation by a moderate decline during the month ending December 15. There were fractional declines in the rates charged on inter-bank loans, on commodity paper secured by warehouse receipts and on prime commercial paper purchased in the open market, running from four to six months. Fractional increases occurred in the rates on bankers' acceptances, both endorsed and unendorsed, and on loans secured by government collateral.

Savings deposits in Minneapolis, St. Paul and Duluth increased very slightly during the month ending December 1, and were 11 per cent larger than a year ago at this time. The number of savings depositors in these banks increased more rapidly during the month than did the total savings deposits and consequently there was a slight decline in the average savings deposit balance.

The loans of this Federal Reserve Bank were reduced more than $5\frac{1}{2}$ million dollars during the four weeks ending November 28, reductions occurring in both Twin City and country borrowings, with the exception of loans to member banks in North Dakota, Wisconsin and Michigan. Member bank re-

serve deposits remained unchanged during the month, holdings of purchased bills and United States securities did not vary greatly, and reserves were increased $4\frac{1}{2}$ millions. Federal Reserve notes in circulation responded to the demand for additional currency to meet pre-holiday needs and the amount in circulation increased $1\frac{3}{4}$ millions.

During the two weeks ending December 12, there was a further decline in the loans of this bank of more than $1\frac{1}{2}$ millions, an increase in member bank reserve deposits of one million dollars, an increase in security holdings of one-half million and an increase in reserves of four millions. Federal Reserve notes in circulation increased more than $2\frac{1}{2}$ millions during the two week period.

WHEAT PRODUCTION, MARKETING AND MILLING, DURING CROP YEARS ENDING JULY 31, 1922 AND JULY 31, 1923, IN THE FOUR STATES OF MINNESOTA, NORTH DAKOTA, SOUTH DAKOTA AND MONTANA.

I. Aim and Scope. A few years ago it was decided by this office to obtain specific information concerning the products shipped from each of the towns and cities in this district in which member banks are located, in order to have available at all times, reliable evidence as to the annual and monthly export surplus of each of these communities. The market value of this surplus would represent their legitimate claim for accommodation as it presumably represents the amount they could expect to liquidate by a single year's production. In handling individual banks, this information has been found very useful in determining loan and collection policies on a scientific basis. In order to secure this data, co-operation was necessary on the part of all the railroads operating in this district, and we are greatly indebted to them for their assistance.

It was thought desirable that figures should be obtained simultaneously from the railroads covering the total of shipments from all towns in each of the states contained wholly within this district. Of this data that pertaining to wheat has been arranged by states and supplemented by reports obtained by us direct from flour mills operating in this district outside of Minneapolis, St. Paul, and Duluth-Superior. For those flour mills not reporting to us, (largely city mills) data has been obtained from the Northwestern Miller and combined with our own. This more general survey of the marketing and milling of wheat was expected to provide material which could be compared in such a way as to yield significant percentages as to what portion of the total crop flows through Minneapolis terminals, what portion is milled by country mills, and what portion is exported unmilled from this district. The results are here presented without endeavoring to exhaust all possible conclusions to be drawn therefrom. These percentages will be found of interest and value to those who are compelled to make business decisions on the basis of the current data, which is available with reference only to a portion of the crop.

Great care has been taken to avoid duplication of shipping points by making exact deductions for reshipments of wheat and to estimate operations of country mills not reporting. No allowance has been made for changes in country elevator stocks, but these may be safely assumed to be substantially un-

changed or negligible at the close of each crop year when elevator operators are preparing for the arrival of the new crop.

II. General Summary of Statistical Data. The flour mills located in these states purchased and milled in 1921-22 an amount of wheat equal to 85 per cent, and in 1922-23 61 per cent, of the total wheat produced therein. We were therefore under the necessity of exporting about 24 million bushels, net, or 15 per cent of the amount marketed in 1921-22, and 92 million bushels or 39 per cent of the amount marketed in 1922-23. Of the total wheat marketed, 71 per cent flowed through Minneapolis terminals in 1921-22 and 58 per cent in 1922-23. Of the total flour produced in 1921-22, 51 per cent was made by Minneapolis mills and more than 44 per cent was made by mills located outside the larger cities, and in 1922-23, 50 per cent was made by Minneapolis mills and 44 per cent was made by mills located outside the larger cities, the remainder representing St. Paul and Duluth-Superior production.

III. Wheat Marketed. We have tabulated monthly totals of carloadings of wheat at primary shipping points, and also the results of questionnaires sent to all flour mills outside the cities of Minneapolis, St. Paul and Duluth-Superior. We have made proper allowance for the number of mills which have not replied and we have used the figures of the Northwestern Miller for the flour mills within the cities of Minneapolis, St. Paul, and Duluth-Superior, and to supplement our outside mill figures. The questionnaire sent to the country mills covered their wagonlot receipts less carlot shipments and their flour production by months.

We have totaled the carloadings at primary points and the wagonlot receipts by mills and find that the wheat marketed during the crop year, August 1, 1921, to July 31, 1922, amounted to 155,208,100 bushels, and during the crop year 1922-23 it amounted to 234,236,820 bushels.

IV. Wheat Distribution.

A. Flour Mill Consumption. Of the total of 155,208,100 bushels of wheat marketed either by carlot shipments or by wagonlot receipts consumed by local mills in 1921-22, as shown in the

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foregoing, 84.9 per cent was manufactured into flour by flour mills in this district (or 131,704,888 bushels, estimating $4\frac{1}{2}$ bushels of wheat per barrel of flour made). In 1922-23 of the 234,236,820 bushels of wheat marketed, 60.6 per cent or (141,73,959 bushels) was manufactured into flour by mills in this district. Attention should be directed to the relative stability of flour mill consumption regardless of the size of the crop, because this crop increase of over 79 million bushels, lifted flour mill consumption only 10 million bushels. This addition, however small, to flour mill production is an important element in the profits of the industry, as it is the marginal product which adds little to overhead expense.

The consumption by mills varies greatly from month to month, there being five months in the crop year, August 1, 1921, to July 31, 1922, and eleven months in 1922-23, in which the consumption by the four mills was less than the amount marketed, namely in August, September, October, November and December, 1921, and August, 1922, to June, 1923, the amount taken by the mills being lowest in January, 1923, or 42.1 per cent. During the other eight months, milling consumption exceeded the amount marketed.

B. Export Wheat Surplus. The unmilled portion of the wheat marketed in these four states constitutes our surplus for "export" from these states. This export surplus amounted to about 15 per cent of the total marketed or 23,503,212 bushels in 1921-22 and more than 39 per cent or 92,362,861 bushels in 1922-23. In making the foregoing calculation it is assumed that, whereas our mills use some southwestern wheat, at least one bushel of our own wheat is "exported" from these states for every bushel of southwestern wheat "imported", so that the amounts given above represent our net "export" surplus in the two years.

As to the disposition of these surpluses, there are no sources of reliable information—increases or decreases in terminal grain stocks, and shipments by water from the Duluth-Superior Harbor. Between July 31, 1921, and July 31, 1922, wheat stocks in terminal elevators at Minneapolis and Duluth-Superior increased 953,677 bushels, so that the "native" wheat exported from these four states amounted to 22,549,535 bushels. However, Duluth-Superior shipments by water during this crop year were 44,695,247 bushels so that at least 22,445,712 bushels of wheat from outside of this district were exported from Duluth-Superior, or at least this amount of outside wheat was used by Minneapolis and other mills in these four states and released an equivalent amount of "native" wheat for export.

Between July 31, 1922, and July 31, 1923, terminal wheat stocks at Minneapolis and Duluth-Superior increased 9,892,519 bushels and the amount of "native" wheat exported was 82,470,342 bushels. During this year Duluth-Superior shipments

of wheat by water amounted to only 57,362,192 bushels. This situation is the reverse of that of a year previous and according to our figures at least 25,108,150 bushels of wheat from these four states must have been exported from this district by rail.

In this connection, it should be stated that the 1921 crop in these four states was estimated by the United States Department of Agriculture to contain about 49,532,000 bushels of durum which is considered to be largely an export crop. Had our wheat exports consisted only of durum, it would follow that we had milled or retained for seed, more than half the durum raised or had imported about 27,000,000 bushels at least of outside wheat for milling purposes. The durum crop of 1922 was estimated by the United States Department of Agriculture to be 85,285,000 bushels. It follows that if we had exported no wheat except durum, we would have retained about 3,000,000 bushels of the 1922 durum crop in this territory.

C. Minneapolis Receipts. Of the total of 155,208,100 bushels of wheat marketed in 1921-22, Minneapolis received 110,886,240 bushels, or 71.4 per cent of the total. From the larger amount marketed in 1922-23, totaling 234,236,820 bushels, Minneapolis received 135,455,990 bushels or 57.8 per cent. Apparently the Minneapolis market does not absorb a constant percentage of the crop, but attracts approximately only enough wheat for its own needs.

It may also be of interest to compare the Minneapolis receipts with the total carloadings only, which gives percentages of 74.2 per cent for the crop year 1921-22, and 59.7 per cent for the crop year 1922-23. There is a wide variation, moreover, in the percentage received by Minneapolis in the different months of the year.

D. Country Mill Operation. Of the total wheat marketed in 1921-22 of 155,208,100 bushels, 96.3 per cent was shipped by rail and 3.7 per cent was received by country mills in wagonlots and consumed. Inasmuch as country mills produced 12,987,697 barrels of flour, they required approximately 58,444,636 bushels of wheat. As the net wagonlot receipts are estimated at 5,675,559 bushels, it follows that of wheat received and consumed by them, only 9.7 per cent was secured by local purchase and 90.3 per cent was shipped in by rail. In the crop year 1922-23, of the wheat marketed amounting to 234,236,820 bushels, 96.9 per cent was shipped by rail and 3.1 per cent was received by country mills in wagonlots and consumed. In this crop year country mills produced 13,939,212 barrels of flour from approximately 62,726,454 bushels of wheat. Of this amount, 7,221,477 bushels or 11.5 per cent was received in wagonlots and 88.5 per cent was shipped in by rail.

V. Flour Production. During the crop year, August 1, 1921, to July 31, 1922, the total flour production in these four states was 29,267,752 barrels, of which Minneapolis mills produced 51.2 per

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TABLE I

and the outside mills 44.4 per cent, the remainder being milled in St. Paul and Duluth-Superior. During 1922-23 the total flour production in these states was 31,527,550 barrels of which Minneapolis mills produced 50.3 per cent and country mills 44.2 per cent. The percentage of total flour produced by the Minneapolis mills varies in different months of the year, the percentage being highest generally in the fall and lowest in the spring.

I. Estimate of Total Crop. Using the foregoing data, it is interesting to attempt an estimate of the total wheat produced in the two crop years ended. In the crop year 1921-22, we estimate that 208,100 bushels of wheat were marketed. In addition, it is estimated that there were reserved out of the 1921 crop to plant the 1922 crop, one and one-fourths bushels per acre. Using the United States Department of Agriculture estimates of acres planted to winter and spring wheat, the number of bushels sowed amounted to 28,642,250 bushels. Combining the above figures of wheat shipped by country mills estimated for seeding purposes and wheat marketed locally by mills, it appears that the total wheat in 1921 for the four states was 183,850,350 bushels.

When this total is compiled with the assumption that

the holdover of wheat on the farms and in the country elevators was the same on August 1, 1921, as on August 1, 1922. As there are no country elevator figures available, we shall be obliged to assume that the amount held in country elevators on August 1, was the same in both years, but it is possible to estimate changes in the holdover of wheat on the farms on August 1 of the two years. The United States Department of Agriculture estimates the amount of wheat held on farms in these four states on July 1 of each year, and after proper adjustments were made for July shipments, there appears to have been a decline of farm stocks between August 1, 1921 and August 1, 1922 of 2,293,872 bushels. This amount should therefore be deducted from our previous total of wheat produced in these four states leaving a total estimated crop of 181,556,478 bushels for 1921.

The crop of 1922 in these four states has been estimated by the same method as that used for estimating the 1921 crop in the preceding discussion. Of the 1922 crop, 234,236,820 bushels were marketed, 28,028,000 bushels were used to plant the 1923 crop and farm stocks on August 1, 1923, were 2,972,000 bushels larger than on August 1, 1922. Adding these three figures it appears that the 1922 crop in these four states amounted to approximately 265,236,820 bushels.

TABLE I. FLOUR PRODUCTION (In Barrels)

	A	B	II Outside Mills: Our Quest. and Co.'s reporting to N.W. Miller, and not to us	III Est. Production Mills Outside not reptg. to either of us (15% of II)	IV Total Outside Mills	V Total Production	% I-A of V	% IV of V
	Mpls.	St. Paul & Duluth-Superior						
1921								
.....	1,020,560	100,254	778,731	116,810	895,541	2,016,355	50.6	44.4
.....	940,390	82,664	826,120	123,918	950,038	1,973,092	47.7	48.1
.....	1,116,655	134,805	899,739	134,961	1,034,700	2,286,160	48.8	45.3
Crop Year 1921-22:								
August	1,547,510	113,705	902,162	135,324	1,037,486	2,698,701	57.3	38.4
September	1,759,165	123,996	1,007,789	151,168	1,158,957	3,042,118	57.8	38.1
October	1,821,340	132,041	1,320,285	198,043	1,518,328	3,471,709	52.5	43.7
November	1,325,290	154,353	908,819	136,323	1,045,142	2,524,785	52.5	41.4
December	915,925	88,005	811,527	121,729	933,256	1,937,186	47.3	48.2
January	1,087,320	79,892	892,236	133,835	1,026,071	2,193,283	49.6	46.8
February	1,103,810	66,575	865,944	129,892	995,836	2,166,221	51.0	46.0
March	1,194,520	115,187	996,082	149,412	1,145,494	2,455,201	48.7	46.7
April	937,910	103,104	839,581	125,937	965,518	2,006,532	46.7	48.1
May	1,047,890	113,439	883,916	132,587	1,016,503	2,177,832	48.1	46.7
June	968,870	92,688	914,679	137,202	1,051,881	2,113,439	45.8	49.8
July	1,276,840	110,680	950,630	142,595	1,093,225	2,480,745	51.5	44.1
Crop Year	14,986,390	1,293,665			12,987,697	29,267,752	51.2	44.4
Crop Year 1922-23:								
August	1,347,270	150,149	1,002,664	150,400	1,153,064	2,650,483	50.8	43.5
September	1,702,570	170,616	1,193,198	178,980	1,372,178	3,245,364	52.5	42.3
October	1,888,885	184,300	1,325,394	198,809	1,524,203	3,597,388	52.5	42.4
November	1,851,930	197,807	1,287,101	193,065	1,480,166	3,529,903	52.5	41.9
December	1,235,085	159,208	1,028,830	154,325	1,183,155	2,577,448	47.9	42.0
January	1,103,746	142,677	978,642	146,796	1,125,438	2,371,861	46.5	47.5
February	1,095,097	135,116	818,788	122,818	941,606	2,171,819	50.4	43.4
March	1,415,714	163,426	1,064,574	159,686	1,224,260	2,803,400	50.5	43.7
April	1,051,722	113,133	867,468	130,120	997,588	2,162,443	48.6	46.1
May	1,002,565	129,982	884,754	132,713	1,017,467	2,150,014	46.6	47.3
June	1,012,145	86,451	752,686	112,903	865,589	1,964,185	51.5	44.1
July	1,137,898	110,846	916,955	137,543	1,054,498	2,303,242	49.4	45.6
Crop Year	15,844,627	1,743,711			13,939,212	31,527,550	50.3	44.2

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TABLE III.

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TABLE II. WHEAT MARKETED (In Bushels)

	I	II Excess of wagonlot receipts by country mills over carlot ship- ments by them	III Estimate for country mills not reptg. to us (15% of II)	IV Total wheat marketed (sum of of I, II, & III)	V No. of bushels consumed by all flour mills (4½ times total production)	% V of IV
July	7,434,846	457,329	68,599	7,960,774	9,073,598	114.0
August	11,671,689	448,758	67,314	12,187,761	8,878,914	72.9
September	7,914,936	190,683	28,602	8,134,221	10,287,720	126.5
Year 1921-22:						
August	16,578,182	679,402	101,910	17,359,494	12,144,155	70.0
September	29,997,493	646,369	96,955	30,740,817	13,689,531	44.5
October	24,868,375	679,129	101,869	25,649,373	15,622,691	60.9
November	14,423,613	531,163	79,674	15,034,450	11,361,533	75.6
December	12,134,237	352,343	52,851	12,539,431	8,717,337	69.5
January	8,058,652	372,936	55,940	8,487,528	9,869,774	116.3
February	7,047,155	281,706	42,256	7,371,117	9,747,995	132.2
March	9,403,349	246,859	37,029	9,687,237	11,048,405	114.1
April	5,865,528	219,701	32,955	6,118,184	9,029,394	147.6
May	6,992,699	339,265	50,890	7,382,854	9,800,244	132.7
June	8,029,248	310,807	46,621	8,386,676	9,510,476	113.4
July	6,134,010	275,590	41,339	6,450,939	11,163,353	173.1
Year 1922-23:						
August	13,067,102	800,516	120,077	13,987,695	11,927,174	85.3
September	33,441,792	914,817	137,223	34,493,832	14,604,138	42.3
October	30,724,936	1,247,620	187,143	32,159,699	16,188,246	50.3
November	26,299,547	736,169	110,425	27,146,141	15,884,564	58.5
December	25,038,720	629,513	94,427	25,762,660	11,598,516	45.0
January	24,937,927	368,922	55,338	25,362,187	10,673,375	42.1
February	13,551,157	364,504	54,676	13,970,337	9,773,186	70.0
March	16,508,547	251,516	37,727	16,797,790	12,615,300	75.1
April	12,179,733	211,075	31,661	12,422,469	9,730,980	78.3
May	10,182,701	344,326	51,649	10,578,676	9,675,045	91.5
June	12,468,318	232,650	34,947	12,735,915	8,838,855	69.4
July	8,614,854	177,883	26,682	8,819,419	10,364,580	117.5
Year 1922-23:	227,015,334	6,279,511	941,975	234,236,820	141,873,959	60.6

TABLE III. MINNEAPOLIS RECEIPTS (In Bushels)

	I Carloadings at primary points	II Minneapolis receipts	III Pct. Mpls. of total	IV Total marketed	V % II of IV
July	7,434,846	6,466,310	87.0	7,960,774	82.0
August	11,671,689	9,595,040	82.2	12,187,761	80.1
September	7,914,936	7,798,970	98.5	8,134,221	96.3
Year 1921-22:					
August	16,578,182	15,119,530	91.2	17,359,494	87.1
September	29,997,493	16,774,960	55.9	30,740,817	54.6
October	24,868,375	18,019,510	72.5	25,649,373	70.3
November	14,423,613	8,655,760	60.0	15,034,450	57.6
December	12,134,237	8,577,270	70.7	12,539,431	68.4
January	8,058,652	7,751,060	96.2	8,487,528	91.3
February	7,047,155	7,072,000	100.3	7,371,117	95.9
March	9,403,349	6,972,550	74.1	9,687,237	72.0
April	5,865,528	4,723,060	80.5	6,118,184	77.2
May	6,992,699	5,525,800	79.0	7,382,854	74.8
June	8,029,248	5,691,360	70.9	8,386,676	67.9
July	6,134,010	6,003,380	97.9	6,450,939	93.1
Year 1922-23:	149,532,541	110,886,240	74.2	155,208,100	71.4
Year 1922-23:					
August	13,067,102	11,224,670	85.9	13,987,695	80.2
September	33,441,792	19,693,950	58.9	34,493,832	57.1
October	30,724,936	16,719,550	54.4	32,159,699	52.0
November	26,299,547	14,135,300	53.7	27,146,141	52.1
December	25,038,720	18,660,910	74.5	25,762,660	72.4
January	24,937,927	14,864,110	59.6	25,362,187	58.6
February	13,551,157	6,354,620	46.9	13,970,337	45.5
March	16,508,547	10,449,950	63.3	16,797,790	62.2
April	12,179,733	6,861,690	56.3	12,422,469	55.2
May	10,182,701	5,207,720	51.1	10,578,676	49.2
June	12,468,318	6,307,230	50.6	12,735,915	49.5
July	8,614,854	4,976,290	57.0	8,819,419	56.4
Year 1922-23:	227,015,334	135,455,990	59.7	234,236,820	57.8

Summary of National Business Conditions (Compiled Dec. 24 by Federal Reserve Board)

Production of basic commodities and factory employment decreased in November. Distribution of merchandise by wholesalers and retailers was somewhat less active, and wholesale prices showed a slight further recession.

PRODUCTION: Production in basic industries decreased about 2 per cent in November. The decline was due chiefly to reduced production of iron and steel, and smaller sugar meltings. The Federal Reserve Board's new index of factory employment, which is shown by the accompanying chart, also declined, due to lessened activity at iron and steel plants and large seasonal reductions at clothing establishments.

The volume of employment is now 2 per cent smaller than in the spring, but 3 per cent larger than a year ago. Contract awards for new buildings were smaller in November than in October in all reporting districts, except New York, but were 20 per cent larger than a year ago.

Final estimates by the department of agriculture show larger yields of corn, oats, tobacco and cotton than in 1922, and smaller yields of wheat, hay and potatoes. The total value of agricultural production at December 1 prices was 12 per cent larger than in 1922. Each of the ten principal crops, except wheat, showed an increase in value.

TRADE: Railroad freight shipments in November showed about the usual seasonal decline from October, but were in heavier volume as compared with previous years. Wholesale trade was 13 per cent less in November than in October, which is more than the usual decrease at this season; but sales continued to be slightly larger than a year ago. Sales of hardware, drugs and meat were larger than in November 1922, while sales of shoes were smaller. Retail business was smaller than in October in most lines. Sales of mail order houses declined more than sales of department stores, but were 11 per cent larger than a year ago.

PRICES: The Bureau of Labor Statistics' index of wholesale prices declined in November to a point 4 per cent lower than last spring and about 3 per cent lower than a year ago. The chief reductions occurred in prices of animal products, fuel and house furnishings. Prices of clothing and crops, on the other hand, increased and the latter group averaged higher than in any month since 1920. During the first half of December, prices of sheep, beef, sugar, cotton, silk and rubber declined, while quotations on crude oil, wheat and wool were slightly higher.

BANK CREDIT: The total volume of credit extended by member banks in leading cities showed but little change between the middle of November and the middle of December. A seasonal reduction in commercial and agricultural loans in most districts was accompanied by increased loans on securities, with the result that total loans remained practically constant. During the same period, borrowings at the Federal Reserve Banks were also practically unchanged. Holdings of acceptances increased somewhat, partly in connection with the financing of cotton exports. The increased demand for currency for holiday trade was reflected in both a moderate expansion in Federal reserve note circulation and a reduction in gold certificates held by the Reserve banks. Rates on commercial paper sold in the open market continued to show an easier tendency, as indicated by increased sales at $4\frac{3}{4}$ per cent, particularly in interior districts. The December issues of one year $4\frac{1}{4}$ per cent and six months' 4 per cent treasury certificates, compared with $4\frac{1}{4}$ per cent on a six months' issue sold in September, were largely over-subscribed.

NOTE: This month we present for the first time a chart showing the new index of employment in manufacturing industries, compiled by the Federal Reserve Board's Division of Research and Statistics. Wide industrial and geographical representation in the composition of the index is obtained by using data collected by a number of Federal and state agencies covering 33 separate industries which are grouped into 10 general classes, as follows: Metals; textiles; lumber; vehicles; paper and printing; food; leather; stone; clay and glass; tobacco; and chemicals. The final index and each of the 10 group indexes were obtained by combining the 33 individual industry series, weighting them in accordance with their relative importance as determined by the number employed according to the census of manufactures of 1919 and 1921. The index is expressed in terms of percentages with the monthly average for 1919 as the base, i. e., 100 per cent. It is so constructed that its movements, although they do not measure the total volume of employment, reflect increases or decreases in this volume. No correction was made for normal seasonal variations, because, although these fluctuations are noticeable in individual industries, they vary as to time and degree and in the final index largely offset each other. A full description of the data used in compiling this index and of the results obtained was published in the December issue of the Federal Reserve Bulletin.

