MONTHLY Review

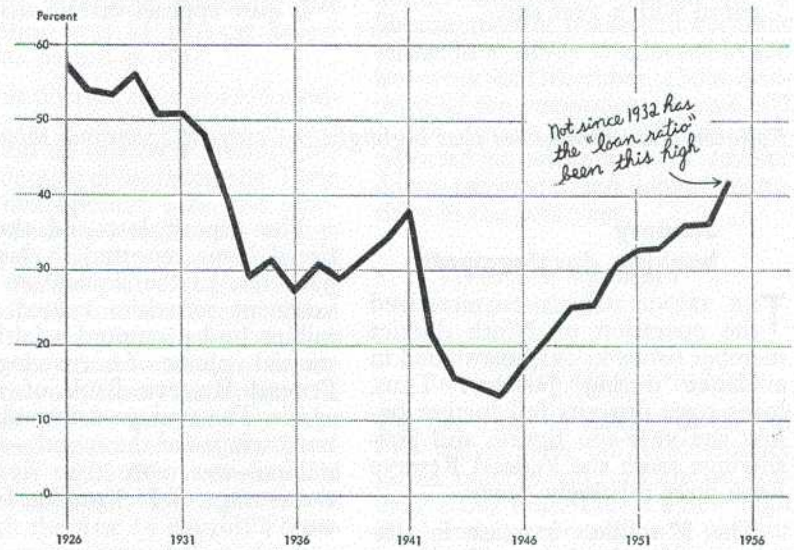
FEDERAL RESERVE BANK OF MINNEAPOLIS

SERIAL NO. 14 FEBRUARY 29, 1956 VOL. 12

Current conditions . . . .

High output strengthens economy of ninth district

RATIO OF LOANS TO DEPOSITS—ALL MEMBER BANKS, NINTH DISTRICT



The strong demand for various types of loans is reflected in the increasing ratio of loans to deposits. As the ratio increases, the proportion of 'risk assets' rises—and many bankers become reluctant to acquire additional loans. The ratio today, however, is still below the levels reached during the 1920's.

SOME LIQUIDATION of bank investments to provide needed funds for a rising level of agricultural and business loans, and a swelling ratio of bank loans to deposits are indicative of some credit tightening in the Ninth district's economy.

The ratio of loans to deposits in member banks at the end of the year was 41.7 percent–the highest since 1932. This relatively high ratio undoubtedly has caused bankers to become increasingly conservative in the extension of new loans. The banker is finding that funds available for new loans are becoming less plentiful, but not to the point where worthy customers are having trouble in getting credit accommodation. Perhaps some tightening is necessary and desirable to nip off the inflationary fringes that have been developing in some areas of the economy.

Fortunately, most of the Ninth district economy continues to show the strength and vitality necessary to carry the increased debt load. The health of this area's economy is demonstrated by its production record and this record has been strong all through 1955 and up to the present time as evidenced by the following facts:

- Bank debits in January were up 12 percent compared with the same period a year earlier.
- Sales at department stores were up 4 percent.
- Employment was up approximately 4 percent in January compared with a year ago and unemployed workers were 27 percent fewer.

- New car registrations in the Twin Cities area in January were substantially higher compared with both last month and a year earlier, although registrations in early February dropped below those of a year ago.
- Average weekly earnings in manufacturing industries were up 9 percent in January from the average in January of 1955.
- Construction contract awards showed a 7 percent growth from January of last year. However, other measures of the construction outlook were down compared with a year ago.
- Farm prices, the black sheep of recent years among the economic indicators, have leveled off, with some increases here and there.

The bulk of the Ninth district's economy is centered around the production, marketing, processing and distribution of farm commodities. Carryover from the second largest crop on record last summer and a record number of cattle and calves on farms at the beginning of the new year promise a high degree of economic vigor during the remainder of the winter season and extending into the spring period.

It now appears certain that a determined effort will be made this year by the Federal government to bolster the economic position of the farmer. What farm program actually develops and what its specific results will be is, of course, not yet determined. But it may be expected to add an optimistic note to the farm outlook and to have a relatively strong impact in this district. This, together with expectations of continued high demand for products from the district's mines and manufacturing centers, results in a reassuring economic outlook in the Ninth district for the immediate future.

Following are summaries that highlight the current economic scene in the Ninth district:

January banking developments

The trends which characterized the operation of Ninth district member banks in 1955 continued in evidence during January. Thus, loans rose; deposits fell further below the year-ago figure; and borrowings from the Federal Reserve Bank were relatively heavy.

The $7-million increase in district member bank loans for January was confined almost entirely to country banks, where loans rose $6 million. In January 1955, loans grew $6 million at city banks and by that same amount at country banks. The ratio of loans to deposits for all district member banks rose to 43.3 percent on January 25, 1956 from 41.7 percent on December 31, 1955 (see chart on page 1): the loan increase, together with a loss of deposits, produced the higher ratio.

In contrast to a deposit gain of $4 million in January 1955, district member banks reported a deposit loss of $81 million in January 1956. Compared to a year earlier, total deposits were down $18 million at the end of December and $103 million at the end of January. Time deposit balances registered no change in January this year; they rose $3 million in January 1955.

The deposit loss—and the additional loans reported in January—gave rise to the liquidation of investment securities valued at $49 million and prompted a fairly substantial volume of borrowing at the Federal Reserve Bank of Minneapolis. The average daily volume of borrowings for the month—at $28.4 million—was more than five times the average of $5.3 million for January 1955.

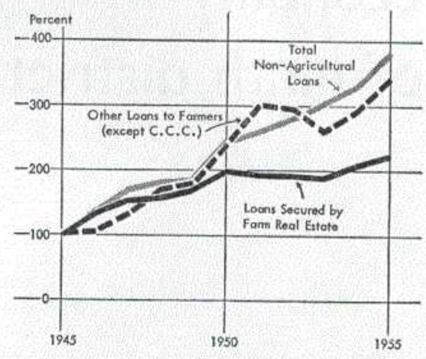
Concerning the behavior of loans in January, it is worthy of note that member banks in Montana added $8.3 million to their loan balances—an amount which was larger than the entire district increase. Since Montana includes important wheat producing areas and since January 31 was the cut-off date for Commodity Credit Corporation wheat loans, it is likely that the banking figures reflect additional holdings of such loans at the banks. Some farmers waited until January to arrange loans so as to shift income to 1956 for tax purposes.

Farm production loans at record high

Ninth district farmers borrowed more money for production purposes this past year than ever before in history. Production loans (other than those secured by farm real estate) totaled almost $165 million in Ninth district member banks at the end of the year. This is more than three times the relatively low 1945 figure of $48 million. Farm production loans were 17 percent higher at the end of 1955 than they were at the beginning.

FARM AND NON-FARM LOANS AT NINTH DISTRICT MEMBER BANKS
December 31, 1945-1955

Index numbers, 1945 = 100



Total farm loans in district member banks more than trebled during the past 10-year period while non-agricultural loans nearly quadrupled.

During the past year member banks in the district also increased by about 9 percent their holdings of loans secured by farm real estate. At the end of 1955 these loans totaled $26.3 million compared with

$24.1 million a year earlier and $11.5 million 10 years ago.

The sharp increase in farm loans in recent years is a reflection of the rapid agricultural adjustments that have taken place. These changes include such things as more power machinery and other equipment, increased purchases of seeds, feed and fertilizer, and rising wage and tax costs.

These changes have tended to increase the farmer's cash costs of operation and, hence, the need for credit. On the other hand, the downward trend of prices he received has, in recent years, resulted in a squeeze on his income. This explains, further, why farmers have increased their borrowings.

The increase in the volume of loans, however, is not peculiar to farmers alone. From the chart it is evident the percentage increase in non-agricultural loans in recent years is greater than for farm loans —reflecting particularly the sharp rise in automobile instalment loans and home mortgage loans.

Department store sales brisk

Total sales by Ninth district department stores in January continued on the high plateau reached last autumn. In fact, this proved to be the best January in the past five years. In the district, total sales during January averaged 5 percent above a year ago.

Most of the support for the district's increase came from Minnesota, which was the only state to record an increase. In general, all other sections showed a decrease from January 1955 receipts, led by North and South Dakota.

This increase may not seem phenomenal, but sales in January 1955 were high. Since the first of the year, sales of house furnishings (including major appliances) have been exceptionally strong, and sales of soft goods have been about equal to last year's volume.

Automobile sales are slower

Sales of 1956-model automobiles are running below those of the preceding year's models. In January the nation-wide total of dealers' sales of new cars was 5 percent below a year ago. As a result of slower sales and high production schedules, dealers' new-car inventories have reached an all-time record high and production schedules have been reduced. For the first seven weeks of 1956, estimated passenger car production was 15 percent below the same period in 1955.

In this district, sales of 1956 models according to preliminary figures have held up relatively well. In the four counties comprising the Twin Cities metropolitan area, the number of new cars registered to purchasers in January was 20 percent larger than a year earlier. For the most part the increase is a reflection of the low registrations of a year ago rather than unusually heavy sales this year. Last year, during the first half of February, new car sales picked up noticeably in the Twin City area, while this year they did not. As a result, car registrations through the first 14 days of February were 3 percent below the corresponding period of a year ago.

Reports received from over 300 district automobile dealers in the last week of December and early January reflect a relatively better outlook for sales of 1956 models, due to the moderate rise in sales last year. About half of the dealers reported that the interest shown in 1956-model cars was as good as it was a year ago for 1955 models. About the same proportion of dealers reported that sales in December were as good as a year ago, while half reported sales were down. A majority (59 percent) indicated they held larger new car stocks this year than last.

Frequently, used car sales perk up when new car sales lag. Apparently this has been the situation since the first of the year. Used car sales improved and prices firmed in January after a more-than-seasonal slump last autumn. Most dealers in the survey indicated that used car sales had fallen off in December and previous months, and that prices were lower than a year ago.

The amount of automobile instalment paper held by a reporting sample of Ninth district banks continued to rise in the fourth quarter of 1955 instead of displaying the usual seasonal downturn. As stocks of new cars increased last fall, some dealers apparently pressed for a liberalization of instalment contract terms. In a survey conducted in the last week of December, about one-third of the respondents (some 300 Ninth district automobile dealers) reported an acceptance of smaller down payments and longer maturities in the past year.

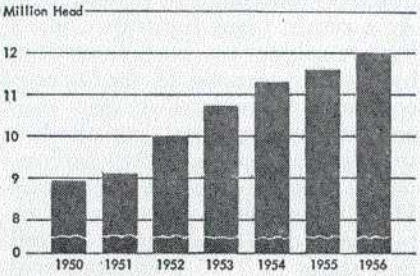
Livestock numbers show increase

Numbers of cattle and calves reach new high

More than 12-million cattle and calves were on Ninth district farms, ranches and feed lots on January 1 this year. This is a new high level and it represents a 4 percent increase from a year earlier and a 35 percent increase in numbers from the last cyclical low point in 1950. (See chart.)

For the country as a whole, cattle numbers increased about 1 percent during the year and they were up 25 percent from the cyclical low point reached in 1949.

CATTLE NUMBERS IN FOUR 9TH DISTRICT STATES, 1950-1956
(in million head)



Current conditions . . . .

A particularly significant increase this past year was in the number of beef cows two years old and over. The increase totaled 5 percent, ranging from no change in Minnesota to a 12 percent expansion in North Dakota. For the country as a whole, the increase was less than 1 percent.

The number of heifers, one to two years of age, and steers, one year and up, also increased substantially during the past year in the Ninth district. More beef cows, heifers and steers on farms simply indicates a high potential of beef production during the current year. Therefore, marketings are likely to be continued in 1956 at the same or perhaps a higher level than prevailed in 1955.

Milk cow numbers up 1 percent

There was very little change in milk cow numbers on farms during this past year, either among individual states or for the district as a whole. Overall there was a 1 percent increase. Minnesota registered a 2 percent advance. The Dakotas held their own, and a 2 percent decline was experienced in Montana. For the country as a whole, milk cow numbers were down 1 percent.

Sheep numbers up 3 percent

Numbers of all sheep and lambs on district farms during 1955 registered a 3 percent advance. In spite of the small increase both in 1955 and 1954, sheep numbers are now only about 50 percent of the record numbers on district farms in 1942. The sharpest advance in sheep numbers this past year was in North Dakota with a plus 19 percent. In Minnesota, a slight decline of 2 percent was experienced. For the country as a whole sheep numbers declined about 1 percent during 1955.

Hog numbers up 5 percent

All Ninth district states had more hogs on farms at the end of 1955 than at the beginning. The over-all increase was 5 percent and it ranged from 3 percent in Minnesota to 25 percent in North Dakota. (See table.) For the country as a whole the increase was 9 percent. END

NUMBER OF LIVESTOCK ON NINTH DISTRICT FARMS
JANUARY 1, 1956, AND PERCENT CHANGE FROM YEAR EARLIER

(Source of data—United States Department of Agriculture)

	COWS 2 YEARS AND OLDER (other than milk cows)		MILK COWS 2 YEARS AND OLDER		SHEEP AND LAMBS		HOGS AND PIGS	
	Number	Percent Change	Number	Percent Change	Number	Percent Change	Number	Percent Change
Minnesota	303,000	0	1,558,000	2	953,000	—2	3,637,000	3
North Dakota	642,000	12	410,000	0	668,000	19	439,000	25
South Dakota	1,320,000	5	335,000	1	1,315,000	2	1,494,000	4
Montana	1,132,000	3	106,000	—2	1,757,000	0	141,000	26
Total	3,397,000	5	2,409,000	1	4,693,000	3	5,713,000	5

Residential construction in this district is down from a year ago, but the outlook for 1956 is good.

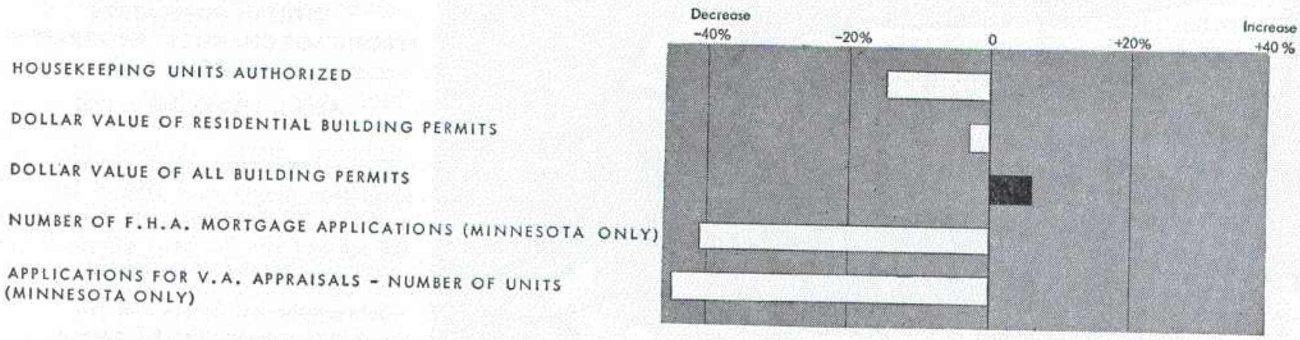
BECAUSE OF its magnitude and volatile nature, construction spending has a significant impact on income and employment. As a result, plans for future building are subject to constant scrutiny by those interested in the level of economic activity. For 1956 most analysts expect total construction spending to be about $44 billion—up $2 billion over the 1955 level. Housing starts, however, are expected to drop—perhaps 1.1-1.2 million starts in 1956 compared with slightly over 1.3 million in 1955. Nevertheless, total spending for residential construction is not expected to drop so much because of rising construction costs; the trend is toward better equipped houses and anticipated increases in home-improvement outlays.

The economic 'boom' of late 1954 and 1955 gathered a significant share of its strength from increased spending for new houses. Consumer investment in new (non-farm) residential construction rose from $11.9 billion in 1953 to $13.5 billion in 1954; then to $16.6 billion in 1955. Over the two-year period this represents a rise of nearly 40 percent. By contrast, gross national product rose about 6 percent during this same two-year period.

In the Ninth district, during each of the last two years, residential construction contract awards and the number of new dwelling units authorized approached or exceeded the previous peak year of 1950. The strong demand for housing was continuing at the turn of the year despite some tightening of terms and a more conservative granting of mortgage loans since last fall. This general conclusion (subject to some qualifications) may be drawn from the results of a survey made during the last week of December by the Federal Reserve Bank of Minneapolis. Two hundred and thirty replies to a series of questions relating to the housing market were received from builders, realtors and suppliers of building materials. The replies came from 156 towns and cities throughout the district.

In the judgment of 160 respondents, the housing market in their

PERCENTAGE CHANGE
IN SELECTED CONSTRUCTION INDICATORS NINTH DISTRICT, JANUARY 1956 FROM JANUARY 1955



area was 'continuing strong.' Nevertheless, some of these respondents along with the other 70 respondents of opposite judgment, pointed out some evidences of a weakening demand. The chief evidence cited for a weakening market was the increased number of used houses for sale. While a well-located used house of moderate size and good condition commands about the same price as a year or two ago, many used houses must be reduced in price to be sold. Many owners, however, seem reluctant to reduce their asking price and seemingly are content to delay actual sale. Increased rental vacancies and more unsold new houses than earlier were checked in the listing by some respondents, but were ranked relatively low in importance in this district as evidence of a weakening demand.

Demand for housing:	Number Yes	No	No Response
What evidence is there of a weakening demand for new houses?			
More used houses for sale	66	72	92
What are the causes of a weakening demand?			
Financing difficulties	126	61	43
Higher costs and prices of new houses	107	76	47

Financing difficulties were cited most frequently as the cause of lower demand or slower sales. This response would follow from the gradual tightening of credit during 1955. As mortgage terms became stricter and mortgage money tighter, potential buyers experienced more difficulty in arranging for the financing of both old and new homes. Some 107 respondents also considered the increased cost and prices of new houses as an important deterrent to sales.

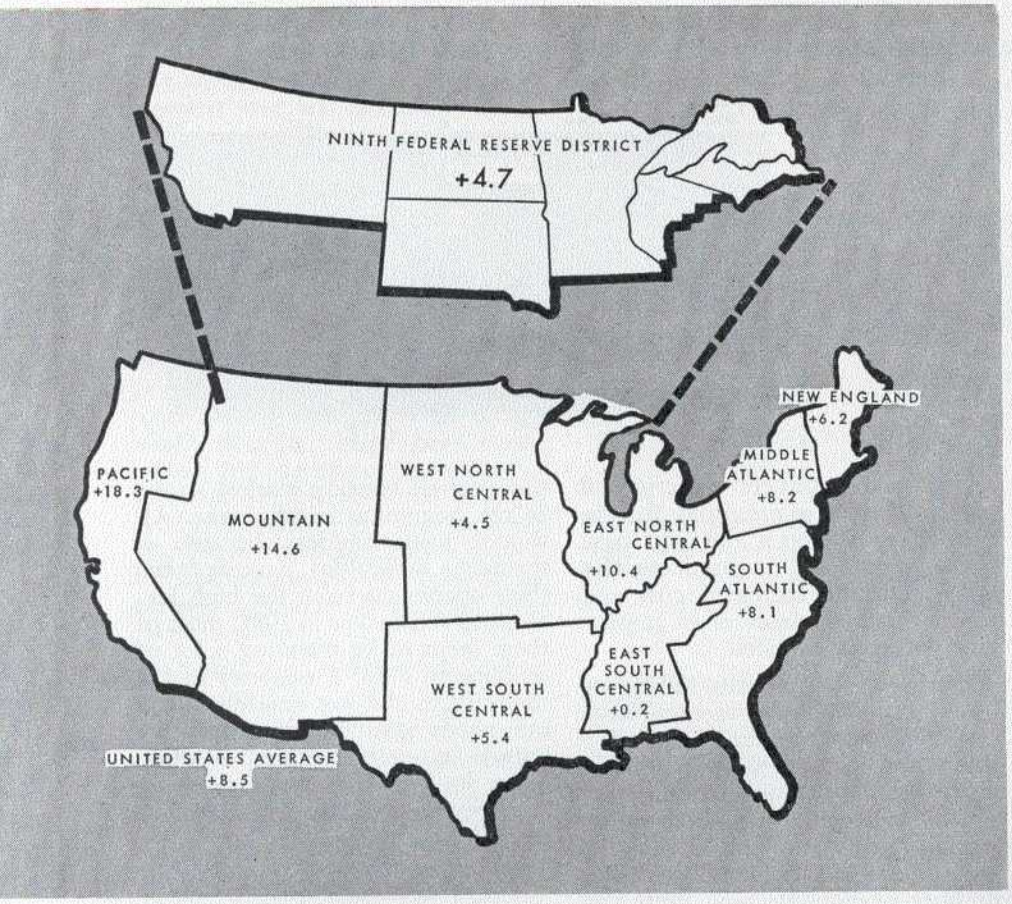
During recent months, indicators of activity in housing markets have reflected these reduced sales. For the nation, private non-farm housing starts on an annual basis (seasonally adjusted) have dropped steadily since reaching a peak in December 1954. In this district the number of housekeeping units authorized by building permits in January was 15 percent below a year ago.

The dollar valuation of the residential permits, however, dropped only 3 percent, while the valuation of all permits actually rose 6 percent. In recent months such key indicators as applications for FHA commitments and requests for VA appraisals have been down 30-45 percent compared with year-earlier figures. For the nation, however, the January figures rose over December by about 15 percent. The eased credit restrictions announced by the Home Loan Bank Board in December, the return to 30-year mortgages in mid-January and the recent easing of the money market should all contribute to a reversal of the down trend in the next few months.

These strands of weakness in the demand picture should not make us lose sight of the fact that 70 percent of the respondents considered the over-all housing market strong at the beginning of the year. Although some builders, because of financing difficulties, have reduced their operations from the high levels achieved earlier in 1955, most of them seem to be planning a lot of building in 1956. A majority of the respondents did not consider housing needs satisfied (in a relative sense) in their respective areas. They indicated an increase in ". . . plans, including land development."

Builders' plans for 1956	Number Yes	No	No Response
Are housing needs (in your area) relatively satisfied?	92	122	16
Is there any increase in builders' plans including land developments?	106	99	25

In analyzing the results of the questionnaire, it must be remembered that housing markets are largely local in nature. Conditions vary conspicuously from one community to another. Even though the views expressed in this questionnaire are not unanimous or conclusive, the overall view is largely optimistic. To what extent this optimistic view will be borne out by future events will depend on many factors — in particular on credit terms and the availability of mortgage money in 1956. As the year progresses it will be of interest to see how closely developments in the home-building field in this district compare with the general feelings expressed at the beginning of the year by those closest to the building industry. END



CIVILIAN POPULATION
PERCENTAGE CHANGE BY GEOGRAPHIC AREAS

April 1, 1950 to July 1, 1955

The accompanying chart compares the percentage growth since 1950 of (civilian) population in the district with the national average and with the major geographic divisions used by the census bureau.

Between the last Census and July 1, 1955 the district increase was 4.7 percent (partially estimated) compared to 8.5 percent for the entire nation. While still below the national rate of growth, the district increase since 1950 is nearer the national average than it was in the 1940's.

Although each major geographic division shared in the nation's population growth, the increase for the five-year period varied, ranging from 0.2 percent in the East South Central states to 18.3 percent in the Pacific states. The variation is chiefly explained by migration out of some areas and into other areas.

Source: Bureau of the Census, **Current Population Reports**, P-25, No. 125.

District population trends

SINCE 1950 the population of the United States has increased by more than 16-million people and the Ninth district has shared in this upsurge. But population growth here has been at a rate below the national average and in sharp contrast to growth in some other sections of the country.

Between 1950 and 1955 population within the district rose from slightly more than 5.7 million to about 6.0 million — an increase of somewhat more than a quarter of a million persons. In spite of the district's vast area, its increase in population was smaller than that experienced by the state of Massachusetts. For each new person in the Ninth district since 1950 there were about eight in California.

Yet the increase since 1950 is an improvement over some of the earlier records. During the entire decade of the 1940's the rate of growth in the district was less than 0.4 percent a year, which was about one-fourth of the national average. Over the five-year period, 1950 to 1955, the district rate of growth averaged approximately 0.8 percent a year—about half the national rate.

The slower growth here is explained, in the main, by the fact that agriculture—our chief industry—requires fewer workers year after year because of technological improvements. So long as this trend continues, the showing the district makes in population growth depends on our success in absorbing the 'released' workers and new members of the labor force into other types of employment within the district. To date other job opportunities in this area have not expanded sufficiently to absorb all of these workers; consequently some have sought a livelihood elsewhere.

Comparative growth since 1950

The accompanying chart compares the percentage growth since 1950 of (civilian) population in this district with the national average and with the major geographic divisions used by the census bureau.

In this five-year period the national increase in population was 8.5 percent, or nearly 13 million, a number about equal to the present population of California.

Although each major geographic division shared in this rapid growth, the rate of increase for the five-year period varied, ranging from 0.2 percent in the East South Central states to 18.3 percent in the Pacific states. On the average the North Central states experienced the same percentage growth as the nation. However, the western part of this area (which includes Minnesota and the Dakotas) showed growth at less than half the rate of the eastern North Central states.

Between 1940 and 1950 North Dakota and Upper Michigan experienced actual population declines, while northern Wisconsin showed no increase. Since 1950 Upper Michigan has continued to decline in population, while all other states or part states in the district have shared in the countrywide population rise. In this period (as was true during the '40's) the greatest gains by state, absolutely and relatively, took place in Minnesota and Montana. Comparative average annual rates of increase in total population* for the four states entirely in the district are as follows:

	1950 to 1955	1940 to 1950
United States	1.6%	1.4%
Minnesota	1.2%	0.7%
Montana	1.3%	0.6%
North Dakota	0.7%	—0.4%
South Dakota	0.7%	0.2%

*Bureau of the Census, Current Population Reports, P-25, No. 129, p. 4.

What about the future?

For the year ending November 1, 1955 it is estimated that the total population of the United States increased 2.8 million — 1.7 percent. When the large number of babies born in the early 1940's and soon after World War II marry and have families (about 10 years from now) the annual increase will be even larger.

Mainly because of continued high birth rates, it has been necessary to revise successive population projections for the nation upward. In October 1955 the census bureau released four revised projections, any one of which is considered reasonably possible. The four estimates of the future size of the national population range from 186 to 193 million for 1965 and from 207 to 229 million for 1975. Prospects for the nation, then, are that population will continue to grow rapidly.

The extent to which the Ninth district will share in the national population increase will largely depend on our future migration experience. In the past 20 years the district has had a net out-migration of population, but migration patterns are constantly changing as Americans become increasingly mobile and move in response to many factors. Consequently, population projections for particular states or geographic areas, based on some earlier migration experience, are subject to rather wide margins of error.

Despite these uncertainties the census bureau, early in 1955, made seven illustrative state projections to suggest what population might be in 1960, and also in 1965. The accompanying table shows only the highest of the seven projections for each of the four states entirely in the district. For each of the four states the projection figures may be compared with the 1950 census figure and the population estimate as of mid-1955.

Interestingly, the estimated population in North Dakota as of last July 1 exceeds the projection for that state for 1960 and equals the one for 1965. On the other hand, for the other three states the mid-1955 estimate is smaller than the 1960 projection. In South Dakota, however, it is only slightly smaller.* In all states, the percentage gains implied by the census projections for the two succeeding five-year periods fall below those actually realized during the 1950-55 period.

Out-migration in the next decade could, of course, be sufficiently heavy to cause actual declines in some district states or reduce recent

*The State Health Department of South Dakota in a recent news release estimates the present population of the state in excess of 700,000.

TOTAL POPULATION WITH PROJECTIONS TO 1965 AND PERCENTAGE CHANGES FOR FOUR STATES WHOLLY IN THE NINTH DISTRICT AND FOR THE UNITED STATES, 1950 - 1965

(In thousands)

	Total Population				Percentage Change		
	1950 (Census)	July 1, 1955 (Estimate)	1960 (Projection)	1965 (Projection)	1950-1955	1955-1960	1960-1965
United States	150,697	165,248	176,103	188,593	9.7	6.6	7.1
Four States	4,846	5,126	5,303	5,519	5.8	3.5	4.1
Minnesota	2,982	3,174	3,322a	3,479a	6.4	4.7	4.7
Montana	591	633	662a	693b	7.1	4.6	4.7
North Dakota	620	642	633c	642c	3.5	—1.4	1.4
South Dakota	653	677	686b	705b	3.7	1.3	2.8

a—Component method—1930-1953 used as base for migration projection and 1950-1953 fertility level assumed to decline to 1940 level by 1975.

b—Component method—1940-1950 used as base for migration projection and 1950-1953 fertility level assumed to continue to 1965.

c—Ratio method—1950-1953 fertility level assumed to continue to 1965.

Source: Bureau of the Census, 1950 Decennial Census and Current Population Reports, P-25, Nos. 110, 124, and 125.

rates of growth. In this case the population of the district will grow slowly, as it did in the 1940's—about one-fourth the national rate. If, however, the experience of more recent years becomes typical, then our rate of growth will remain nearer one-half the national rate. In this event the combined population of the four states should be nearer 5.7 million in 1965 rather than 5.5 million as shown in the table.

As economic conditions change and as Americans become increasingly mobile, the movement of people from place to place will increase. The future magnitude of migration (to or from the district) will depend on the many factors which determine the location of industry and the rate of economic development in various parts of the country. As in the past, the greatest economic benefit will undoubtedly come to each area if market forces are permitted to resolve these factors. END

A MORE DETAILED description of population patterns and trends in the Ninth district may be obtained upon request from the Research Department, Federal Reserve Bank, Minneapolis 2, Minnesota.

ECONOMIC *Briefs*

SIGNIFICANT HAPPENINGS IN THE NINTH DISTRICT

1-N. P. expands diesel plant

This spring Northern Pacific Railway will begin construction on a $790,000 expansion of its Livingston, Montana diesel-maintenance facilities. A new shop for inspection and running maintenance of diesel locomotives is included in the project, which is scheduled for completion in 1957.

Company officials state that Livingston will become their principal diesel-maintenance point, with the plant there to be enlarged as the complete dieselization of the railroad system develops.

2-Plan Billings shopping center

Construction will begin in August on a $5 million, 38-store shopping center in Billings, Montana. The plan is to have the stores built and the center (including a 2,500-car parking lot) in operation in the fall of 1957.

Building the shopping project, plus the cost of putting it into operation will represent a total capital outlay of $12 million.

3-Tool Co. begins 2-year plan

Owatonna Tool Company, Owatonna, Minnesota, began construction late in December on the first unit of a new plant with an estimated cost (including equipment) of $650,000. To be built in three units over a two-year period, the plans call for 22,000 and 42,000-square-foot manufacturing units and a 6,600-square-foot office.

4-IBM expansion at Rochester

International Business Machines Corporation recently bought a 397-acre site in Rochester, Minnesota on which, in the fall of 1956, the company will begin building a plant to house manufacturing, engineering and educational facilities. Construction costs, not including land or equipment, will be about $8 million.

The plant will be completed late in 1957 and will employ 1,500 people by 1958.

IBM employs a staff of about 53,000 in its plants around the country. Its present manufacturing facility in the Ninth district is the $150,000 suburban Minneapolis testing plant for its magnetic tape division.

5-Minnesota Industrial Exposition

A Minnesota Trades and Industries Exposition will be held in Minneapolis April 11-15. The 'fair,' which is being held to promote industrial and business development in the state, will feature exhibits of products by a large number of Minnesota businesses.

6-Cargill plans research center

In February, Cargill, Inc., Minneapolis, will begin construction of a two-story, 28,000-square-foot research and engineering building in Minnetonka township (west of Minneapolis).

The company, a major processor of grains, feeds and vegetable oils, will make the building headquarters for an expanded research program. The new facility will include laboratories, a pilot plant, a communication center and some administrative offices.