

AGRICULTURAL OUTLOOK - 1947

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GENERAL AGRICULTURAL OUTLOOK - 1947

Demand and Price. The demand for farm products may be at lower levels in the latter half of 1947 than in the first half. For the year as a whole, total demand for farm products and prices received by farmers are likely to average somewhat below 1946. But prices received by farmers are likely to exceed the average for 1945 which was about twice as high as either 1909-14 or 1935-39 periods. Prices paid by farmers are expected to average higher next year.

Assuming normal growing conditions next year, cash receipts from marketings and Government payments may be reduced about 5 percent compared with the record receipts in 1946. With increased production costs and reduced sales, the net income of farm operators may be reduced as much as 10-15 percent from 1946. Even with such reduction, the net income of farmers will still be near the high wartime levels of 1943-45 and about $2\frac{1}{2}$ times the 1935-39 average.

Consumer incomes will probably average higher in 1947 than in any preceding year, but the increase may not be reflected in increased domestic demand for farm products as would occur under normal conditions. These larger incomes are likely to go more toward satisfying cumulated demand for many manufactured goods, as these are available.

Also, foreign demand for farm products is likely to be somewhat smaller in 1947. Factors affecting this are decline of food exports by UNRRA, some rehabilitation of European agriculture and a probable shift in the use of dollar exchange (of foreign nations) to the purchase of non-agricultural commodities.

In August 1946, the index of prices received by farmers advanced to a new record of 249 (1909-14 = 100), 6 percent higher than the peak attained in May 1920, following World War I, and 123 percent above the 1935-39 average. Compared with August 1945 this index has advanced 22 percent. While prices of farm products next year may average somewhat below the estimated 1946 average of about 225, prices in the latter half of the year may average considerably lower if crops continue large and foreign takings are greatly reduced. However, some considerable bolstering force is Government commitment to support prices of "Basis" and "Steagall" commodities.

Production Expenses. Production expenses in 1946 and 1947 are likely to continue the upward trend which has prevailed during the war period. Total farm production costs in 1946 will be about 10 percent higher than in 1945; and a further increase of as much as 5 percent may occur next year. The indicated total for 1947 will be about $2\frac{1}{2}$ times as large as in 1938, and nearly 50 percent greater than in 1920, the highest year prior to World War II. Increasing prices for nearly all commodities used in production are of primary importance in bringing these high production expenses in 1947. One exception is lower prospective expenditures for feed bought for livestock.

Interest. The farm-mortgage debt held by commercial banks, individuals and certain other private lenders increased about 95 million dollars during 1945, while the debt held by the Federal Land banks decreased 130 million dollars; that held by the Federal Farm Mortgage Corporation, 100 million dollars; and that held by life insurance companies 50 million. A continuation of this shift could mean a higher average interest rate for the total mortgage debt in the years immediately ahead.

A more significant rise in interest costs during the coming year may occur in connection with non-real estate credit. Increased expenditures for automobiles, machinery, tractors, and building materials at higher prices and on higher credit rates will further increase debt charges. The various creditors will make loans at about the same rates, but to finance larger purchases farmers will increase their debts with such creditors as dealers and finance companies whose rates are considerably higher than those of banks and production credit associations, the more usual lenders.

Taxes. Property-tax payments made by farmers in 1947 will be up somewhat from those for 1946. The 1945 levies on farm real estate, payable largely late in 1945 and early 1946, were more than 10 percent higher than those of 1944. A further rise is expected in 1946.

Net Income to Farm Operators. For 1946 the realized net income of farm operators is estimated at about 14.7 billion dollars, or more than 10 percent above 1945.

Net income in 1947 may be from 10 to 15 percent below 1946.

Marketing and Transportation. Some existing shortages in facilities for processing and distributing farm products are expected to continue into 1947, and in the case of rail transportation, these shortages are likely to remain critical throughout the year. During the war, food processing equipment was run-down from continued use, but next year should bring some improvement. However, limited equipment and plant capacity is likely to hold down normal progress in some lines of food marketing. Over the long run, important changes may take place as indicated by such developments as pre-packaging of fresh fruits and vegetables and the spectacular growth in the use of quick-freezing method of food preservation.

Shortage of rail transportation for agricultural raw materials and food-stuffs, which has hampered marketings this year, is not expected to ease materially in 1947. If the present high level of industrial production is maintained through 1947, a repetition of this year's shortage of box cars for the loading of grain and grain products may be expected.

Shortage of motortruck transportation in 1947 will probably be much less critical than in the case of rail transport. While strikes and material shortages crippled the production of new trucks during the first half of 1946, a substantial number of truck units has been turned out during the year. These units, plus those released as surplus by the armed forces, have helped to ease what otherwise might have been a critical situation. Truck tire production is now sufficient to meet current demand and there has been some improvement in truck parts output.

Water shipments - coastwise, intercoastal, and on the Great Lakes - have not yet been resumed on a pre-war scale. For coastwise and intercoastal service, restoration of tonnage to pre-war levels appears very unlikely in the year ahead.

Most types of transportation, especially by rail, probably will cost the user considerably more in 1947 than during the current year. The Interstate Commerce Commission has already permitted a temporary increase averaging about $3\frac{1}{2}$ percent in rail rates on agricultural products. Also the ICC is now holding

hearings on the carriers' request to raise the increase to the full 25 percent originally requested (except for cotton and fresh fruits and vegetables, on which the requested increases are estimated to average 22½ percent and 15 percent, respectively). The trade generally expects that the carriers will be granted some kind of an increase, but the exact amount, if any, will be known after the Commission's decision is rendered.

FRUITS AND VEGETABLES

Fruit. Demand for fruit in 1947 is expected to be strong, with prices received by growers averaging from 1½ to 2 times those of the 1935-39 period. Prices for some fruits, especially those in large supply, may not average quite as high as in recent years. Downward adjustments for the peak wartime prices already have occurred for some fruits, particularly apples and grapefruit, because of larger crops.

Prices for most of the 1946 fruit crops have been boosted by an extraordinary demand for fruit to process. The 1946 pack of canned fruits is expected to set a new record. Although consumer demand for processed fruit continues strong, the high prices at which the new packs are being offered to consumers may result in much larger carryover stocks at the beginning of the 1947 pack season than a year earlier. Hence processor demand for fruits may not be as strong as in 1946.

While there has been a seasonal decline in some 1946 crop of fruits as increased shipments reached markets, prices are expected to advance this fall and winter on sales made from cold storage stocks. If the new crop of citrus fruit turns out as large as now seems likely, prices this fall and winter probably will not be quite as high as a year earlier, despite the continued strong demand for fruit in general.

Exports of fruit in 1947 will be well below pre-war levels but may increase moderately over recent years. There may be some increase in exports of fresh apples and pears and canned fruits to Europe. Canada probably will take the usual volume of fresh citrus fruits. Procurement by the military, a strong factor in the fruit market during wartime, is expected to be relatively small.

Truck Crops (For fresh market). Prices received by farmers for most commercial truck crops produced for fresh market in 1947 are expected to average near the prices received in 1946, assuming production continues at the extremely high level of recent years. If, however, there is an increased flow of long awaited manufactured goods, and possibly some recession in general business and income payments in the last half of 1947, this may restrain somewhat the effective demand for many foods, including fresh vegetables.

The record-large production in 1946 has unquestionably "caught up" to the unprecedented peacetime demand. Growers who produced for the 1946 winter season generally received very high prices, but those whose produce went to market in May, or later in the year, experienced prices one-fourth to one-third lower than the wartime peaks.

The 1947 acreage goals for specific vegetables vary somewhat but are mostly about the same to 5 percent above those for 1946, for early winter and spring plantings. Goals for summer and late plantings are generally about 10 percent less than for 1946.

The acreage goals for Irish potatoes in Texas are as follows: Lower Valley, 800 acres, same as 1946; Ft. Bend-Wharton-Bexar district, 6,700 acres, 27 percent reduction from 1946; Hale-Lubbock-Deaf Smith area, 6,200 acres, a reduction of 32 percent from 1946. The acreage goal for sweetpotatoes in Texas next year is 65,000 which is the same as that indicated for 1946.

SWEETPOTATOES

The planted acreage and production since 1943 is as follows:

<u>Planted Acreage</u>	<u>Production</u>
1943 -- 907,000	73,380,000
1944 -- 774,300	71,306,000
1945 -- 715,200	66,836,000
1946 -- 719,200 (July 1 Ind.)	65,956,000 (Sept. 1 Est.)

Demand

The demand for sweetpotatoes has been at a high level for several years. With the exception of about 6 weeks during the main harvesting period (Sept. 15-Nov. 1) prices have been at or near ceilings. The demand during the year 1947 as a whole, for fresh and canned sweetpotatoes, will probably be as strong as in 1946.

The demand for sweetpotatoes to dehydrate for food purposes will be almost negligible. There should be a substantial increased demand for sweetpotatoes for canning and drying for livestock feed. Facilities for drying sweetpotatoes for use as livestock feed are being installed rapidly in almost all commercial sweetpotato producing areas. Low grades and culls can be utilized profitably in this manner. With a profitable outlet for the low quality sweetpotatoes better grading for shipment in fresh form should result in an increase in consumer demand.

The demand for sweetpotatoes extends over the entire year. The supply, however, is not usually spread out to the best advantage. Larger quantities of sweetpotatoes could be marketed at satisfactory prices, if more sweetpotatoes were stored and cured for marketing after the harvesting period.

RICE

The general outlook for rice is dependent upon supplies in Oriental countries. With Oriental crop prospects in November 1946 again below normal and distribution facilities disrupted by war, import requirements in these countries are expected to be important again in 1947-48. Under these conditions, another year of large rice production in the United States is desirable.

Requirements of our normal markets in 1947-48 are estimated about as follows, in million bushels of rough rice equivalent; food and industrial uses, 33.5, exports to Cuba and Canada, 14.8, shipments to our possessions, 11.8, military, 1.6, and seed and feed, 4.2. These total about 66 million bushels. If our large acreage is maintained for another year, and a crop approximating the 69.6 million bushels produced in 1946 is obtained, normal outlets for 66 million bushels would leave only 4 million bushels for the abnormal demands resulting from war conditions.

As in the case of wheat, price support loans to cooperating farmers are provided at 90 percent of parity in the 2 years following the formal termination of hostilities. If the index of prices paid by farmers, interest and taxes next August (1947) were to be about the same as at present, the loan rate on rice would be about \$1.50 per bushel, which compares with the actual price being received by growers for the 1946 crop of about \$2.00 per bushel.

SHEEP AND WOOL (and MOHAIR)

Sheep. Since 1941 sheep and lamb slaughter has been at a high level. But the number of sheep on farms and ranches has declined at a record rate, and the lamb crop also has declined each year. Sheep numbers reached a peak in the United States of almost 57 million head at the beginning 1942, 10 percent above the 1935-39 average. The number on farms January 1, 1946, was 44 million, 22 percent less than on January 1, 1942, and 14 percent less than the 1935-39 average. Numbers were down in all geographic areas, ranging from a reduction of 28 percent from the 1942 level in the 13 Western states to 19 percent in the South Central states.

The 1946 lamb crop was estimated at 46 million head, 7 percent less than the 1945, and was the smallest since 1927. Despite fewer lambs raised this year, total slaughter of sheep and lambs under Federal inspection in the first 8 months of 1946 almost equaled that of a year earlier. Total sheep and lamb slaughter the latter part of 1946 is likely to be less than a year earlier, reflecting the year's smaller lamb crop and earlier marketings of spring lambs through August. Total slaughter for 1946 may be 1 to 2 million head smaller than the large slaughter of 24.6 million head in 1945, as the liquidation of ewes continues. It is likely that the number of stock sheep this year will decline almost as much as in 1945 when an 8 percent reduction occurred.

With a smaller number of ewes on farms next winter, the 1947 lamb crop is likely to show a further reduction. There is little possibility of any great increase in stock sheep numbers in 1947, unless slaughter of ewes and ewe lambs drips off sharply. Slaughter of sheep and lambs in the first 4 or 5 months of 1947 is likely to be less than in the same period of 1946 because of the fewer number of lambs that will be available for grain feeding this winter. The reduction in slaughter may become more marked later in the year when the new-crop lambs become available.

Fewer Lambs on Feed this Winter. Lamb feeding was at record high levels in 1945-46, with the number of sheep and lambs on feed January 1 ranging from 6.5 to 7 million head during that period. The number on feed January 1, 1946, was 6.7

million. Lamb feeding this winter probably will continue large, but the number to be fed will be less than a year earlier, chiefly because of smaller number of lambs available and poor prospects for winter wheat pastures as of September 1. Number of lambs saved in 1946 in the Western Sheep States producing most of the feeding lambs was over a million head smaller than a year earlier.

Suggested goals for United States and Texas, stock sheep and lambs on farms at end of 1947 and comparisons:

	<u>Expected</u> Jan. 1, 1947	On Hand Jan. 1, 1946	Percentage as of 1937-41	1947 Goal 1946
United States (in 1000)	35,200	37,517	76%	94%
Texas (in 1000)	9,575	9,718	104%	99%

Wool. Apparel wool consumption to be smaller in 1947. Mill consumption of apparel wool in 1947 probably will decline some from the record yearly rate of about a billion pounds, grease basis, which has been maintained consistently since 1941. However, mill use of domestic wool may be larger in 1947 than in the 3 previous years, in each of which it was less than production. Consumption of domestic wool has been increasing this year but by June had increased to a rate sufficient to use only two-thirds of this year's production. Foreign wool prices have been increased, which factor should encourage use of more domestic types.

Prices of wool to U. S. Mills may be somewhat higher in 1947 than in 1946. Prices of fine quality wools have advanced about 10-15 percent above previous "issue" prices at the Australian auction which opened September 2. If maintained, this rise in price will likely be reflected in prices on foreign wool held at Boston.

Prices to Growers in 1947 to depend on Government action. Prices received by farmers for wool will continue about at the present level of 42¢ per pound to April 15, 1947, as the CCC will continue to purchase wool at present prices until then. After that, prices may decline to a level competitive with imported wool unless the Government continues to support prices, since it seems unlikely that prices of foreign wool will increase sufficiently to raise duty-paid prices of imported wool to the level of present CCC prices. CCC purchase prices for fine domestic wool at Boston are now about 20 percent higher than duty-paid prices of imported wool of comparable quality and preparation.

Domestic Mohair Outlook. The domestic outlook for mohair producers for 1947 appears favorable. Mohair was certified to be in short supply August 31 by the Secretary of Agriculture, and OPA has restored the dollar-and-cents ceilings on mohair sorts, noils, and tops which it established in June 1946. These ceilings were roughly 10 percent above 1941 "freeze type" maximum prices in effect prior to that time. The demand has been quite good for the fall clip with adult grades reported at 58-61 cents and kid grades at 78-80 cents. Demand is expected to remain high throughout 1947. Prior to the war about 2/3 of all mohair used in this country went into the manufacture of automotive upholstery fabrics. Car production is expected to be materially higher in 1947 than this year and may be

half again as large as the 1935-39 average. Mohair is also used in many other high quality fabrics now in demand.

Mill consumption of mohair and mohair tops during the first half of 1946 has been fairly stable at the high annual rate of 24 million pounds a year. This is somewhat in excess of domestic production which has been 20-22 million pounds annually since 1939. Mill consumption in 1947 may be considerably above 1946 levels. Mohair stocks on hand June 30 in this country were quite large, totaling 15 million pounds. There is also a possibility of supplementing domestic supplies with imports. While mohair imports for the first half of 1946 were less than half a million pounds, surplus mohair stocks have been reported in both South Africa and Turkey.

FARM MACHINERY AND EQUIPMENT

Farmers spent about 4.3 billion dollars for the operation and maintenance of power and machinery in 1945. This amount included the total cost of using power machines, other farm machinery and equipment and also the cost of keeping farm horses and mules. Power and machinery costs for 1945 were 73 percent above the 1935-39 average, but gross farm income was 136 percent above this average. The percent farm power and machinery costs are of gross farm income in 1945 was 16 compared with 22 in the 1935-39 period.

Supplies of farm machinery, attachments, and repair parts for the year ended July 1, 1947, may show little if any increase over the production of the year ended July 1, 1946, as continued material shortages are expected to adversely influence the volume of production. Production this past year (1945-46) was about 5 percent below the relatively favorable output of 1944-45, but would have been larger except for labor-management disputes in major farm machinery plants and material shortages resulting from work stoppage in allied industries. Production in the early months of last season was about the same as for the same period a year earlier, but production for the 6 months ended June 30, 1946, was materially lower than for the same period in 1945.

Further improvement in the farm motor transport situation is expected in 1947. Production of motortrucks by July 1, 1946, had reached prewar levels and is expected to be higher in 1947. Automobile production in 1947 is expected to be considerably above the 1946 production. For the last 6 months of 1946, production of automobiles should more than double the 642,000 units produced in the first half of the year.

Supplies of tires of all types are expected to be ample in 1947. The 1946 production of tires for farm implements and for most farm motor-trucks is about adequate to meet current needs. Production of automobile tires in 1946 is of record proportions and should provide about 2 new tires for every automobile registered in 1946.

Prices of most items of new machinery are now higher than in 1945 and further price increases are in prospect. This is also true for important supply items and services essential for using the machines, as well as horse feed and labor costs. Thus, compared with 1945 the cost of using farm power, machinery and equipment are likely to be considerably higher in 1946 and still higher in 1947.

The most important item of power and machinery costs for the Nation as a whole is the keeping of horses and mules, which amounted to more than 35 percent of the total farm power and machinery costs in 1945. Costs of keeping horses and mules in 1945 were 42 percent above the pre-war average, largely because of the greatly increased feed prices and farm wage rates, and notwithstanding a 22 percent decline in horse and mule numbers. Per-head costs in 1945 were more than 80 percent above the prewar average and were almost double the 1940-41 average. Colt crops have been small in recent years, and further reductions in numbers of horses and mules are in prospect.

Total tractor operating costs in 1945 were more than 100 percent above the prewar average but there were also 67 percent more tractors in 1945. The operating cost per tractor in 1945 was only about 30 percent above the prewar average.

Costs of using farm automobiles and motortrucks in 1945 were 66 percent above the prewar average. Owing to wartime restrictions, farmers purchased few new automobiles and motortrucks from 1942 to 1945. Although 1945 numbers were 6 percent above the average of the prewar period, they were less than for any year from 1940-43 inclusive. Cost per unit of operating motortrucks and automobiles in 1945 was about 57 percent above the prewar average. Costs of operating farm tractors, trucks, and automobiles in 1946 are expected to be about 15 percent higher than in 1945. A further increase of about 15 percent over 1946 is expected in 1947.

The costs of using all farm machinery and equipment other than tractors, trucks, and automobiles in 1945 was more than double the prewar average but there were 60 percent more machines. Per-unit costs of using this other machinery in 1945 were only 33 percent above the prewar average. Costs of operating machinery in 1946 will be about 15 percent higher than a year ago.

Although machinery costs have increased since 1940, the increases per unit have been less than the increases in wage rates and costs of keeping horses and mules. This additional advantage of machines and mechanical power over hand work and animal power has made the substitution of new machine methods for the older established man-horse methods more profitable than in the prewar period. Greater production, increased production efficiencies, and higher prices have provided larger farm incomes and the means for expanding the purchase and use of machines.

FARM LABOR AND WAGES

Farmers have paid much higher wage bills in the past year than they did before the war. Cash wage payments and perquisites to hired workers were 2.2 billion dollars in 1945--nearly 2.5 times the average wage bill in 1935-39--and will be more in 1946. The 1945 wage bill was the largest on record. Farm wage rates in 1945 were three times the 1935-39 level, but employment of hired workers was 17 percent less than prewar.

Wage rates in 1946 are continuing their upward trend, while employment of hired workers is slightly above that of last year. The 1946 wage bill will probably exceed the record bill of 1945, by 5 to 10 percent.

Production per worker (for all farm workers) is almost 40 percent above the prewar level. This increase in labor productivity has tended to hold down unit labor costs. The ratio of index of farm wage rates to production per worker in 1945 was 220 percent of the 1935-39 average. The index of farm wage rates was 302 percent of the 1935-39 average.

While wage rates and total wage payments have increased sharply during the war years, gross farm income and prices received have also increased. Gross farm income in 1945 was 236 percent of the 1935-39 average and prices received by farmers for their products were about 190 percent of the prewar average. Costs of many important production factors other than hired labor rose less rapidly than did prices received.

Several major factors have contributed to greater productivity of farm labor in recent years. Increased mechanization of farm operations and higher crop yields, due partly to favorable weather, are among the factors that have resulted in smaller labor requirements per unit of production. Farm workers, particularly seasonal ones, have been utilized more fully during the past few years.

Although farm wage rates are now more than three times their prewar level, farmers still are experiencing difficulty in competing with industry for workers. Industrial wage rates also have risen from prewar levels. In 1945, hourly earnings of factory workers were about 67 percent higher than in 1935-39. Farm wages showed a much greater percentage increase from the prewar period, but they started from a much lower level. Farm wage rates per month without board for July for example, averaged nearly \$35.00 in 1935-39 and by 1946 had increased to \$106. When farmers hired their help by the day without board, they paid an average of \$1.50 in 1935-39 and \$4.84 in 1946 respectively. Hourly earnings of factory workers, on the other hand, averaged \$0.61 in 1935-39 and \$1.02 in 1945.

Farm wage rates will probably average somewhat higher at least through early 1947 than in 1946. Continued high levels of employment, general business activity and cash farm income will exert an upward pressure on farm wage rates, as industrial employers and farmers compete for workers. This competition and supplies of both regular and seasonal workers will differ from area to area.

The total wage bill in agriculture probably will be higher in the coming year. But there should be an improvement in the skill and experience of workers and a further increase in farm worker efficiency.

COTTON

On the basis of August 15 prices and the September 9th crop forecast, farmers' cash receipts from 1946 cotton will be the highest received since 1925. At 33.55 cents, the August 15 farm price was the highest monthly farm price since July 1920. In terms of parity, it was 133 percent compared with 99 percent in August 1945. Early September prices of Middling 15/16 cotton at the ten spot markets are about $\frac{3}{4}$ of a cent above mid-August prices, which indicates that prices received by farmers in early September also are above the August level. September is the first important month of the marketing season.

The average 1946 loan rate for Middling 7/8 inch cotton is 22.83 cents a pound. In 1947 calendar year, the parity index on which loans are based should average above present levels with the high point occurring about mid-year.

The present outlook relation to supplies and needs for 1947 indicate that the U. S. carry-over next August 1 will be at the lowest level since 1929. Supplies of all kinds of cotton in the United States for the 1946-47 marketing season are indicated at 16.7 million bales (assuming imports of 200,000 bales). Total disappearance is expected to be slightly less than the 12.8 million bales which disappeared last season. Thus, the domestic carry-over of all kinds of cotton in the United States on August 1, 1947, would be a little over 4 million bales compared with 7.5 million bales on hand August 1 of this year.

Cotton consumption in the year ending July 31 totaled 9.2 million bales. The August daily rate converted to a yearly basis amounted to 10 million bales. Even with this high rate of consumption, cotton textile inventories at retail levels continue to be low in relation to the current rate of sales. Outstanding orders are large. The consumption rate has continued high since the end of the war and no immediate change can be foreseen. However, certain forces that may tend to weaken the demand for cotton goods are expected to become more prominent during 1947. As home construction and production of automobiles and household appliances increase, consumer expenditures will be shifted somewhat and a smaller proportion will be available for food and clothing. Also increased supplies of rayon textiles are becoming available and will compete more effectively with cotton goods. Consumption is expected to average an annual rate of about 9-3/4 million bales for the first 6 months of the 1946-47 season, but may run at a lower rate during the last half of the season.

As of August 1, Commodity Credit Corporation had requisitions on hand for the sale of export cotton totaling about 0.7 million bales. On the same date, registered sales and consignments under the Cotton Sales for Export Program totaled about 1.1 million bales. This total of around 1.8 million bales will be supplemented as the year proceeds by additional sales. While it is too early to forecast exports for the year accurately, exports for the first six months may total between 1.5 and 2 million bales. The total for the season is expected to equal about 3 million bales.

The recent advance in cotton prices, if sustained through the 1947 planting season, makes cotton a more effective competitor with alternative enterprises for labor and other resources used in production. Farm labor and machinery supplies are expected to increase. Reasonably favorable weather during the 1947 season, in contrast to the adverse weather of the past two seasons, would also result in the planting of a larger acreage and would contribute toward higher yields per acre.

Since the beginning of the war, prices of cotton have risen more rapidly than rayon prices so that the ratio of rayon to cotton prices has become increasingly favorable to rayon. Total rayon production in the United States is continuing to expand, and production of staple fiber, which was curtailed during the war, has been resumed. Also, the advance in cotton prices since June 1946 has greatly widened the spreads between domestic and foreign cotton prices, thereby lowering prospective exports.

Present estimates indicate that the world consumption of all kinds of commercial cotton in the 1945-46 marketing year amounted to about 23,2 million bales. Consumption of commercial cotton in foreign countries expanded about one-fifth during 1945-46. This is in contrast to the United States where consumption contracted about 4 percent during the same period. A further increase in foreign consumption of about 29 percent appears likely for next year.

The world carry-over of all kinds of commercial cotton on August 1, 1946, is now tentatively estimated at 16 percent below a year earlier, but this estimated carry-over is 21 percent above the 1935-39 average. The reduction in world carry-over is largely accounted for by the reduction in stocks of American cotton. The 1946 world commercial crop of cotton is now estimated at 9 percent above the 1945 world crop, but is 29 percent below the 1935-39 average. World supplies of commercial cotton for the current season are now assumed to be 42.0 million bales, 7.0 million bales less than in the peak year of 1939 and 5.0 million bales less than the 1935-39 average. World consumption of commercial cotton in 1946-47 may increase some 19 percent over consumption during the 1945-46 season. Such an increase in consumption would result in a world carry-over on August 1, 1947, approximately 30 percent below the carry-over on August 1, 1946, and about 15 percent below the 1935-39 average. Estimates of world production, consumption and carry-over of commercial foreign grown cotton have been recently revised in light of data which have become available since the end of hostilities.

Recommended Goals (National and State). The suggested 1947 national goal is 22,500,000 acres, which at average yield per acre of 263 pounds would produce about 12,328,000 bales of 500 pounds or the equivalent of about 12,000,000 running bales. This compares with a planted acreage of 18,316,000 indicated for 1946 with an estimated yield as of September 1, 1946, of 9,171,000 bales.

The suggested 1947 State goal is 8,460,000 acres, at an assumed yield of 170 pounds per acre would produce about 2,996,000 bales.

The bulk of the 1947 acreage is likely to be planted to cotton varieties producing medium staples 15/16" through 1-3/32". Requirements are largest for these lengths. A large increase in acreage of varieties shorter than 15/16" might result in a surplus of these qualities.

The fact that requirements for some grades may not be produced on the suggested acreage goals is not of sufficient importance to justify an increase in the goal above 22,500,000 acres. It is nevertheless important to strive to bring the quality of the cotton crop more nearly in line with requirements in order to improve the competitive position of cotton with synthetic fibers and foreign growths.

Support prices (level and method of supporting).

The 1946 loan rate on upland cotton is fixed by law at 92.5 percent of the parity price as of August 1, 1946. The 1947 loan rate is fixed at 92.5 percent of parity as of August 1, 1947.

BEEF CATTLE

Decline in Cattle Numbers May Be Halted Temporarily in 1946

United States cattle numbers increased each year from 65 million head on farms January 1, 1938 to a record high total of 82.4 million at the beginning of 1944, an increase of 26 percent in the 5-year period. Numbers increased relatively more in the Western Corn Belt and in the Western States than in the other regions. The smallest relative increase occurred in the North Atlantic States. The increase in cattle numbers was stimulated by a sharp rise in cattle prices in the early years of the war and favorable years for pasture and feed production. The number of milk cows and heifer calves from dairy herds on farms increased 18 percent in the 5 years 1938-43, with the total of these classes on farms at the beginning of 1944 estimated at almost 41 million. Numbers of dairy stock increased relatively most in the West North Central, South Central, and Western States.

Cattle numbers declined somewhat during 1944 in all regions, with the sharpest declines occurring in the number of milk stock. Beef-cow numbers remained at a high level in 1944 and 1945. The total number of cattle on farms at the end of 1946 may be larger than the estimated 79.8 million on hand January 1, 1946. A reduction apparently has occurred in the number of cows kept for milk, but numbers of other cattle may show increases, largely as a result of the current tendency to delay marketings.

Cattle and calf slaughter in 1947 is likely to be at least as large as in 1946. Slaughter in 1946, on the basis of slaughter in the first 8 months and current trends, may total 30 to 32 million head, considerably under the record high of 34.9 million head slaughtered in 1945.

More Cattle To Be Grain Fed in Next Year

Cattle feeding has been at a high level throughout the past 5 years. In each year since 1940, except 1944, the number of cattle and calves reported as on feed for market January 1 exceeded 4 million head, compared with an average of 3 million on feed January 1, 1930-39. An estimated 4,157,000 cattle and calves were on feed in the United States January 1, 1946, 4 percent less than the number on feed a year earlier, but 5 percent more than were on feed January 1, 1944. A large number of cattle were fed during the 1945-46 winter and early spring season to utilize the soft corn from the large 1945 crop. Cattle generally were put into feed lots last fall at record high prices. Other feeding costs were high and marketings of cattle from feedlots were large in the first quarter of the year.

The number of cattle on feed in the Corn Belt January 1, 1946 was estimated to be 3,310,000 head, 5 percent less than a year earlier. On April 1 the number on feed in the Corn Belt was estimated to have been 17 percent (around 350,000 head) less than a year earlier. The percentage decline from the previous April 1 was one of the greatest on record, exceeded only in the years following the 1934 and 1936 droughts. Marketings of cattle from feedlots were comparatively small in May and June but were large in July and August, following the lapse of price control. The number of cattle on feed for market August 1 in the Corn Belt was

estimated to be 45 per cent less than a year earlier, the smallest for that date on record. Feeding also was sharply reduced in the principal feeding States in the West.

A sharp rise in prices of better grade cattle since June 1946 and the prospects of increased supplies of feed grains per animal unit in the feeding year beginning October, 1946 point to a larger number of cattle to be grain fed next winter and spring than a year earlier.

Cattle prices had been rising slightly for several months prior to the lapse of price control and advanced materially in July and August. Lower grade cattle did not advance in price during the period of free prices. Despite record high prices for feeder cattle, a much larger number of cattle were started on feed this summer than a year ago, partly as a result of a wider feeding margin. The movement of stocker and feeder cattle to 8 Corn Belt States in July and August was 64 percent greater than a year earlier. The number of steers and beef heifers on farms January 1, 1946 was only 5 percent less than the record number on hand at the beginning of 1944, and the supply of cattle available for feeding is large.

Prices of feeder stock may continue higher than a year ago. In early September, prices of feeder steers at Kansas City averaged around \$16.00, \$4.00 per 100 pounds higher than last year.

Supplies of feed will be ample in most of the important feeding areas in the next 12 months, largely as a result of a record corn crop and the second largest crop of oats. The total supply of feed concentrates for feeding in the 1946-47 season, including feed grains, byproduct feeds, and wheat and rye for feed, on the basis of September 1 crop conditions, would be slightly larger than the 1945-46 total supply of 160 million tons. The supply per animal unit would be 5 to 6 percent larger than a year earlier.

Hay supplies are ample for the livestock to be fed, although slightly smaller per animal unit than the large supplies of a year ago. Hay supplies are below the 1939-43 average in the eastern Corn Belt, but are above average in all of the other regions of the nation.

Returns From Cattle Feeding During Past Season Greater Than Year Earlier

Returns from feeding steers purchased in August-December 1945 and sold in May-August this year by Corn Belt feeders as a whole apparently were more profitable than a year earlier. Returns from feeding were definitely greater than in the corresponding periods of 1943-44 and 1942-43. Throughout the war, returns from feeding cattle for the country as a whole were generally favorable.

Cattle Prices Set New High in August

Cattle prices rose sharply from late 1940 through 1942. Prices tended to stabilize from 1943 through 1945 as price controls became effective. The average of prices rose steadily in early 1946 to the highest levels of record. After the lapse of price control, prices for the better grades advanced sharply. With small marketings of such cattle relative to the strong demand, prices of top cattle in late August reached \$30.25 per 100 pounds at Chicago for a few loads compared with the previous top prior to July 1946 of \$21.50 in December 1919.

The average price of slaughter steers at Chicago was \$21.36 in July 1946 and \$21.71 in August 1946 compared with \$17.30 under the June ceilings. A considerable roll-back of prices of higher grade cattle occurred under the ceiling price schedule which became effective September 1, 1946.

Prices of better grade cattle next summer probably will not reach the record highs of the summer of 1946. Summer marketings of fed cattle will be larger than in 1946. Cattle prices may decline in the fall of 1947 as marketings increase, particularly if general business activity should decline at that time.

Goals:

1. The Slaughter Goal: -- The proposed 1947 slaughter goal of 34 million cattle and calves compares with the 1946 goal of 35 million head. The 1946 slaughter goal, if obtained, was expected to reduce cattle numbers by approximately 2 million head by the end of the year.

2. Breeding Herd Goal: -- From 1939 to 1946 the number of beef cows increased from 10 million to 14.6 million head resulting in the yearly output of beef from 7 billion to more than 9 billion pounds in 1944 and 1945, as well as supplying an increased quantity of veal and calf meat, without resorting to liquidation of breeding stock. It is recommended by P.M.A. that the goal for beef cow numbers at the end of 1947 be a total not in excess of 15.2 million head or approximately 4 percent more than at the beginning of 1946. Texas share of this number is estimated at 2,838,000 head.

3. Cattle Feeding Goal: -- Developments in the meat situation in late 1946 make it advisable that special consideration be given to the establishment of a cattle feeding goal for 1947, or at least the determination of desired objectives as to increasing the number of cattle fed so as to insure an adequate meat supply, especially during the spring and summer months when supplies of pork are expected to be relatively small. Feed shortages and uncertainties as to continuation of price controls appear to have resulted in a marked reduction in the number of cattle fed for slaughter in 1946 as compared with most of the war years. The supply of feed grain per animal unit for the 1946-47 feeding year is expected to be about the largest of record, and with a marked reduction in hogs and some decrease in lambs, poultry and milk cows, the supply of feed grain together with hay and forage that will be available for fattening cattle will be ample for expanding cattle feeding operations considerably - probably 15 to 20 percent - over the level of 1946. An increase of at least 15 percent seems warranted. An increase of this amount would result in a total supply of fed cattle in 1947 probably not more than 5 to 8 percent larger than in 1945. In planning their operations cattle finishers need to be cautioned that an orderly movement from feed lot to market throughout the year is necessary and that if the bulk of the fed cattle should reach market after June 30, 1947, when price controls are scheduled to expire, it may result in sharp price declines and severe congestion in marketing and distributing facilities.

4. Production Capacity: -- Cattle production is primarily dependent on pasture, hay and forage resources, hence the extent of these resources together with the number of other grazing animals that compete with cattle for them determines the number of cattle that can be maintained with safety. Horse and mule numbers have been reduced 56 percent, or more than 14 million head since 1920, thus releasing for other livestock sufficient grazing and forage to maintain nearly

17 million cattle. Sheep numbers since 1942 have been reduced more than 11 million head, thus making available grazing resources that would maintain about 1.8 million beef cattle. Total animal grazing units at the beginning of 1946 were 5 per cent less than the recent peak recorded at the beginning of 1944 and only 2.9 percent more than the long-time (1920-1944) average. Allowing for the expected increase in cattle other than milk stock at the beginning of 1947 and the probable decreases in all other livestock - horses, mules, dairy stock and sheep and lambs - the number of animal grazing units in 1947 will be only slightly different from that in 1946.

In practically all States the numbers of animal grazing units at the beginning of 1946 were not excessive for the production capacity under average weather conditions. If marketings of cattle and calves for slaughter in 1947 total about 33 to 35 million head and in the years immediately following should be about 32 to 33 million, this balanced relationship may be expected to continue.

States which now have animal grazing units in excess of the long-time average are all Southern States, except West Virginia and South Carolina; Wisconsin, Michigan and Missouri in the Corn Belt area east of the Missouri River; Nebraska, South Dakota and Oklahoma in the Plains States; and Colorado, Montana, Washington and California in the Western Group. The shift from cotton production and the improvement of pastures in the South together with the substitution of mechanical power for horses and mules has made possible a marked increase in cattle numbers in that region and it is probable that cattle production will continue to expand there. In this region, however, total beef output probably could be increased more economically by improving breeding stock and giving more attention to feeding and management rather than by merely expanding numbers of the type of cattle now generally raised.

The long period of relatively favorable crop growing seasons extending from 1937 through 1946 has been one of the major factors making it possible to increase cattle numbers in practically all sections and especially in the Plains States where numbers were reduced sharply in the mid-thirties because of droughts. New Mexico, Wyoming and Arizona are the only States in which beef cattle numbers are little, if any, greater than in 1934. Barring the recurrence of severe and prolonged drought conditions which would cause severe deterioration of ranges and pastures the present level of cattle production can be maintained without difficulty in most areas.

POULTRY

Hens and Pullets, Eggs, Turkeys and Broilers:

Farmers in 1947 will receive higher egg prices than in 1946. Sharp increases have occurred during the past few months in the prices paid by farmers, including interest and taxes. These increases raise the minimum support levels for eggs. During the 1947 flush production season, support prices (90 percent of parity) will be at least 7 percent above prices actually received by farmers this year. The average price received by farmers from March through June 1946 was 32.4 cents per dozen, 96 percent of parity.

Poultry ration costs in the first part of 1947, despite record feed grain

production, are expected to show a greater percentage increase over the first part of 1946, when ceiling prices were in effect on grains, than egg prices. If so, the egg-feed price ratio will be lower in the 1947 hatching season than in 1946. On the basis of past relationships, this would result in a slight decrease in the number of chickens raised in 1947 compared with 1946. Large feed supplies and better distribution however, may temper the decrease. Under such circumstances, the number of hens and pullets on farms by January 1, 1948 would be nearly as large as on January 1, 1947. The number of hens and pullets January 1, 1947 is forecast at 435 million, 7 percent below the previous January 1, but 20 percent above pre-war (1935-39).

Egg production in 1947 will be 6 to 9 percent lower than in 1946. But, egg supplies will decrease less than production because the January 1, 1947 prospective carryover of shell and frozen eggs will be about 60 million dozen, shell-egg equivalent, above January 1, 1946.

Higher egg prices in 1947 probably will be accompanied by some decrease in egg consumption. The 1946 consumption rate is indicated at about 370 eggs per person, and second only to the 1945 record consumption of 392 eggs per person. The United States supply of and demand for eggs probably will be reasonably well in balance at support prices if the equivalent of 100 million to 200 million dozen eggs are procured for export.

A high level of consumer purchasing power and moderately short meat supplies will tend to keep demand for chicken and turkey strong for the remainder of 1946 and first half of 1947. Chicken prices will reach new-record peaks in the next few months and turkey prices may exceed previous highs. But prices of chicken and turkey are expected to decline after mid-1947 when seasonal increases in marketings will occur and when consumer incomes may be declining.

Total chicken meat output in 1947 will be about the same as in 1946. Chicken meat from farm flocks may be less, in line with the prospective decrease in the number of chickens raised. But commercial broiler output, reflecting favorable returns and ample feed supplies, will increase substantially. Total chicken meat output in 1946 is tentatively indicated at 3,150 million pounds, 15 percent below 1945. Of this quantity, commercial broilers account for about 650 million pounds, a reduction of 22 percent from the record 1945 output.

The number of turkeys raised in 1947 is likely to increase over 1946 and may exceed the 1945 record of nearly 45 million birds. Favorable returns to turkey growers for the past four years, strong demand and high prices for turkeys in the first half of 1947, and sufficient supplies of feed will stimulate a high level of output.

The longtime upward trend in rate of lay probably will continue with more all-pullet flocks and improved efficiency in breeding and feeding practices. This will further level out seasonal variation in egg production.

Foreign trade in eggs after 1947 is expected to revert to its prewar status when no more than 2 percent of the annual production was imported or exported. The only possible large outlet at present appears to be the United Kingdom. With the rehabilitation of poultry numbers in Continental Europe and increased exports from Canada, Australia and Argentina, United States exports will decline. Total exports of eggs and egg products from 1941 through 1945 were nearly 2,500

million dozen shell egg equivalent, about 11 percent of the total production. Two-thirds of the exports were to the United Kingdom, and about 30 percent to the USSR.

So long as consumer income remains substantially above prewar more chickens and turkey meat will be consumed than in prewar years. Other factors leading to gains in poultry meat production and consumption include improved marketing methods and more efficient production techniques.

Commercial broiler output is expected to increase in the next few years and probably will exceed the record 1945 levels. This increase will be necessary to offset a decline of chicken meat output from farm flocks resulting from a 5 to 10 percent decline in egg production.

Turkey meat consumption has been becoming less highly seasonal, as a larger proportion of birds are being consumed in the "off-season" (February-August). This trend probably will stimulate further increases in turkey production. Largest percentage increases have taken place in the northeast and areas surrounding large consuming centers.

Recommended Goal:

The table below shows the recommended goal for the number of young chickens to be raised and the number of turkeys to be raised in 1947. No goal is being established for the production of broilers. Attached is an Outlook Statement which should be given wide circulation among broiler producers.

		1947 Goal	1946 Indicated	1937- 1941	Percent 1946	Goal is of 1937-41
Eggs	:Mil. Doz. :	4,200	4,480	3,252	94	129
U.S. Hens & Pullets on January 1	: Thous. :	435,000	469,431	376,577	93	116
Texas Hens & Pullets on January 1	: Thous. :	29,026	30,724	23,616	94	123
U.S. Chickens raised	: Thous. :	670,000	677,166	656,464	99	102
Texas Chickens raised	: Thous. :	35,260	35,286	35,268	100	100
U.S. Turkeys	: Thous. :	40,760	41,013	30,723	99	133
Texas Turkeys	: Thous. :	4,700	4,466	4,034	105	117

DAIRY

Demand for dairy products is likely to continue at a high level through the first half of 1947. Production of milk next year may be slightly lower than in

1946. Beginning stocks also will be less, but exports will be smaller than the nearly 6 billion pounds (milk equivalent) exported in 1946. Prices of dairy products through the first half of 1947 will average close to present levels after allowing for seasonal variations. In the latter part of 1947, prices of dairy products may be lower than a year earlier because of declining demands. Costs to dairymen for feed concentrates in 1947 will be below the latter half of 1946, but above the first half. Other costs will be higher.

Returns to farmers per hundred pounds of milk or per pound of butterfat, probably will be greater than a year earlier during the first half of 1947 but less in the second half, with averages for the year about equal to 1946. In relation to prices of feed and competing livestock products, farm prices of dairy products may be more favorable than in the past summer and are likely to be above average at least through the first half of 1947.

On June 1, 1946, the number of milk cows on farms was down 4.3 percent from June 1, 1945. Although numbers of young stock have declined for two years, the number of potential milkers is sufficient for farmers to halt the decline in milk cow numbers. A slower rate of decline and perhaps a halt in reduction of cow numbers may come during 1947. Production of milk per cow has been increasing sharply in recent years and may continue to increase in the years immediately ahead. Domestic demands for milk in the future may be met with fewer cows in proportion to the population. At the beginning of 1947, one cow will be supplying an average of nearly 5.5 persons in the U. S., compared with 4.5 persons in 1900 and 4.0 persons in 1880. Production per cow in 1947 may exceed the 1946 record. If so, total milk flow will be only slightly smaller than this year even though the year is begun with somewhat fewer cows.

Supplies of dairy products for domestic consumption in 1947 are likely to be slightly less than the 113 billion pounds consumed in 1946. The war-time pattern of milk utilization probably will continue during 1947. Consumption of milk in the form of fluid milk and cream may decline, nevertheless, consumption of manufactured products containing butterfat is not likely to change much in 1947 compared with 1946. With smaller total supplies of milk, increases in output of butter will be slight and supplies of butter per person may be around 11 pounds compared with the record low of 10 pounds in 1946 and a pre-war average of 16.7 pounds. The proportion of milk sold by farmers as whole milk rather than as cream may decline slightly from the 75 percent in 1946 but will continue well above the 1935-39 average of 56 percent. Utilization and consumption of non-fat solids probably will continue at a high level in 1947.

Milk production on farms in August, was 2 percent below the previous record of a year earlier. Production of butter increased contra-seasonally from June to July and declined less than seasonally during August. Production of most other manufactured products continued at about the same annual rate as in June. Thus consumption of fluid milk and cream apparently declined more than seasonally from June through August, because of higher retail prices for those products. Butter prices advanced rather sharply in the second half of August. In early September, butter prices like prices for most other manufactured dairy products, were slightly in excess of the June 29 ceiling prices plus the subsidy originally scheduled for July-September. As dairy supplies decline prices of dairy products will rise at least seasonally during the balance of 1946.

WHEAT AND RYE

Under present conditions, growers undoubtedly will seed about the same wheat acreage as they did for the 1946 crop. Goals established by State committees for the 1947 crop add up to 71.7 million acres, practically the same as the acreage seeded for the 1946 crop, and about as great as reasonable conservation will allow. With average development, this acreage would produce a crop of about 930 million bushels. If domestic use totals about 730 million bushels, a crop of this size would leave 200 million bushels for export or addition to carry-over stocks. Exports of 200 million bushels in 1947-48 are likely unless crops in other exporting countries and principal importing countries are better than average. Accordingly the carry-over on July 1, 1948, may not be much different from that of July 1, 1947, when it may be about 275 million bushels.

Present wheat prices reflect a very large export demand. This demand, in terms of wheat exports to deficit countries, probably reached its peak during the past year. Future exports are dependent on the increased use of wheat in food-deficit countries and the maintenance of a high level of international trade. While our pricing policy is important, in determining our share of wheat exports, the future level of wheat exports is very dependent on general world-trade policy and the success of international trade agreements. If exports are not maintained at a high level, large surpluses will again accumulate in exporting countries, unless means are effective to curtail production.

As the currently high exports taper off, price supporting loans may again become effective. If growing conditions are much above average for the 1947 crop and exports are substantially reduced, prices in 1947-48 will decline from present levels. Whether they will decline to support levels depends on the size of supplies in relation to demand. Present legislation provides for loans to cooperating farmers at 90 percent of parity on wheat harvested during the two years following the year in which the cessation of hostilities is officially proclaimed.

A national rye goal of 2.4 million acres for harvest as grain in 1947 was announced in late August. Assuming average yields, this acreage would produce a crop of 29.5 million bushels. A crop of this size would provide for normal food use, but it would be necessary to continue to use less rye for feed and spirits, and greatly to restrict exports.

Summary of The Current Wheat Situation:

Domestic wheat supplies in 1946-47 are now estimated at over 1,260 million bushels, consisting of a carry-over of old wheat of 101 million bushels and a prospective crop of 1,160 million bushels. While the indicated crop is the largest on record, the carry-over is the smallest in 20 years, except for 1937. As a result, total supplies are below each of the past 5 years, although over a fourth above the 10-year, 1932-41 average.

Restoration on September 1 of the normal milling extraction rate and an increase in the goal for total United States grain exports in 1946-47 was announced August 23. The quantity of wheat for food use is now estimated at 475 million bushels, which with the other uses will result in total domestic disappearance of about 710 million bushels. This would point to supplies avail-

able for export and carry-over of about 550 million bushels. On the basis of present estimates, exports may total about 275 million bushels, which includes 15 to 20 million bushels from the 1945 crop. This would indicate a carry-over July 1, 1947, or about 275 million bushels.

HOGS

Increases in hog price and declining corn prices suggest that the spring pig crop of 1947 may be slightly larger than the 1946 spring pig crop. This estimate is based on past relationships between the size of the spring pig crop and the hog-corn price ratio at breeding time, together with the number of sows and gilts on farms at year end. The number of sows and gilts 6 months and older on hand December 31, 1946, may be slightly greater than a year earlier. Record feed-grain supplies per animal unit for the feeding year 1946-47 and the absence of ceilings for 1947-48 may induce farmers to produce more pigs than would be indicated from the historical relationships.

The hog-corn price ratio in early September was materially under the long-time average for the month. The ratio probably will increase as new-crop corn is harvested, but even if corn prices go as low as support levels (about \$1.18 per bushel, farm basis, at August 15 parity) the ratio during the early winter would not be favorable for a material increase in 1947 spring pig crop.

Feed supplies will be ample in 1946-47 to (1) feed out a 10 to 12 percent larger spring pig crop in 1947 than in 1946; (2) permit a substantial increase in cattle feeding; (3) maintain about the same volume of other livestock production as in 1945 and 1946, and (4) have a larger carry-over at the end of the feeding year. Feed-grain supplies for 1946-47 both in total and per animal unit, will be a record. Supplies of high-protein feeds may be nearly as large as a year earlier in total but larger per animal-unit.

The annual pig crops increased each year, except 1940, from the low level of 63 million in 1937 to a record high of 122 million in 1943. The expansion after 1940 was the result of higher hog prices, large feed supplies, and the Government's policy of encouraging production. Hog production was stimulated by support prices for hogs and large purchases of pork and lard for export and the military forces. Reserves of grain that had accumulated during the war had largely been used up by the spring of 1944. Hog prices dropped to the support level during the winter and spring of 1943-44 with record marketings from the 1943 pig crops. The 1944 and 1945 pig crops were both around 87 million, reflecting less favorable relationships between hog and feed prices. The 1946 spring pig crop was slightly larger than the 51.6 million head saved a year earlier, but the 1946 fall crop will be materially smaller than a year earlier, reflecting the sharp increases in prices of feed grains in May, when ceilings were increased, and even sharper increases after price control on feed grains lapsed July 1. Feed concentrate supplies became short in the spring and summer of 1946 owing to heavy rates of feeding for all livestock and the large proportion of soft and wet corn in the 1945 harvest. These shortages occurred despite the near-record total supply of feed grains and concentrates and a large supply per animal unit. July 1 stocks of old-crop corn were the smallest since 1937.

Table 2.-Spring and fall pig crops, United States, average 1935-39, and 1940-46

Year	Spring pig crop	Fall pig crop	Total
	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>
1935-39 average	41,872	26,767	68,639
1940	49,567	30,273	79,840
1941	49,234	35,493	84,727
1942	60,902	43,657	104,559
1943	74,034	47,672	121,706
1944	55,428	31,240	86,668
1945	51,570	35,144	86,714
1946 ^{1/}	52,324	^{2/} 29,100	^{2/} 81,424

^{1/} Preliminary

^{2/} Indicated by June Pig Survey on basis of intended number of sows to farrow fall pigs and 5-year average number of pigs saved per litter.

FEED

Feed supply prospects, as a whole, are much more favorable for the coming year than they have been since 1942. Total supplies of feed concentrates for the 1946-47 season, including feed grains, byproduct feeds, and wheat and rye for feed are estimated at about 162 million tons. This would be slightly larger than in 1945-46, and 15 percent larger than the average for 1938-42. The total supply of feed concentrates per animal unit would be 5 to 6 percent larger than in 1945-46, and the largest on record. Even after deducting prospective exports, the supplies available for feed and carry-over would still be larger than a year earlier. Moreover, the quality of the 1946 corn crop is considerably better than that of 1945.

The supply of feed grains for 1946-47 will total about 138 million tons, on the basis of September 1 conditions. This would be second only to the record large tonnage of 1942-43. The supply of feed grains per animal unit will be the largest on record and about 8 to 10 percent larger than in 1945-46. Only about half as much wheat is expected to be fed during the coming year as during the past year, and only relatively small quantities of rye will be fed. Imports of oats and barley are expected to be small, as in 1945-46.

Supplies of byproduct feeds per animal unit are expected to be at a near-record level. Output of lower-protein feeds will be considerably above that of the past year, and supplies of the high-protein feeds probably will be fully as large when considered on the basis of supply per animal unit. Hay supplies are ample for the livestock to be fed, although below the large supplies of 1945-46.

Livestock producers and grain processors probably will obtain adequate supplies of feed grains with much less difficulty than during the past season. Marketings of both corn and oats will be larger than usual. But only about normal quantities of barley and only small quantities of sorghum grain will be marketed. Competition for available supplies is likely to be greatest for the group of high-protein feeds. With continued strong demand by mixed feed manufacturers, livestock producers may again have difficulty in securing desired quantities of those feeds for feeding straight or in farm mixed rations. The availability of all feeds may be hampered somewhat by transportation difficulties

during the next few months.

The prospective supply of feed could support somewhat more livestock than now seem likely to be fed. As now estimated, the combined carry-overs of corn, oats, and barley in 1947 probably will be materially larger than the estimated carry-over this year of less than 11 million tons. Carry-over of corn by October 1947 may be increased to a total of around 400 to 500 million bushels, compared with less than 200 million estimated for October 1 this year. Also, the carry-over of oats will be larger on July 1, 1947, than this year.

Overall demand for feed during 1946-47 probably will be less strong than during 1945-46. Total requirements of feed for livestock (including poultry) during the 1946-47 season may be 5 to 10 percent less than in 1945-46, principally because of fewer animals to be fed and the improved quality of this year's corn crop. Livestock feed price relationships will be less favorable for large production of livestock or livestock products than during most of the war, but probably will be sufficient to encourage a continued large production of livestock and livestock products. Commercial mixed feed manufacturers will adopt aggressive selling programs in attempting to maintain their volume of business, which was built up considerably during recent years. However, the sharp reduction in poultry number this year, as well as reductions in numbers of hogs and dairy cows, will result in some easing in the demand for mixed feed.

Non-feed use of feed grain, including exports, during 1946-47 will be considerably larger than during 1945-46. Nearly 17 million tons of all feed grain may be so used during the coming year, compared with an estimated 13.0 million tons in 1945-46. Much of the increase in non-feed uses expected in 1946-47 would be in exports of corn, which may total as much as 100 million bushels. Use of corn, oats, and barley for food and industrial purposes also is expected to be larger than during the past year.

Feed grain prices, generally, probably have passed their peak for the immediate post-war years. Nevertheless, prices probably will average slightly higher in the first half of the 1946-47 feeding season, beginning October, than in the first half of 1945-46. But prices are likely to average lower in May-September 1947 than in the corresponding period of 1946, when prices of corn, barley and sorghum grains reached the highest levels since 1920. By December 1946 corn and sorghum grain prices will have declined substantially from the high levels that prevailed since early July. The decline will be limited, however, by the strong commercial demand and by Government price supports on corn at 90 percent of parity as of October 1. (Ninety percent of parity for corn on September 15 was \$1.15 per bushel.) Corn prices may be only moderately above support levels during much of 1946-47. Oats prices are not expected to change greatly from present levels.

Most byproduct feeds are now under price control, and price ceilings for most of those feeds are near the June 30 levels. Dairy products used for feed, and alfalfa meal are important byproduct feeds not under price control. Prices of high-protein feeds are likely to remain at or close to ceilings through June 1947, but prices of some lower-protein feeds, such as wheat millfeeds and alfalfa meal, may weaken during the 1946-47 season.

Mixed feed prices probably will be higher during the fall and winter months than a year earlier. But with reduced feed requirements, especially for poultry, the "sellers' market" which has prevailed for many months in commercial mixed feeds may change to a "buyers' market".

RURAL FAMILY LIVING

Family Incomes and Spending

It is important that family living be considered in the Outlook Program as part of the agricultural situation because:

- (1) Progress of agricultural people cannot be measured without measuring the way they live.
- (2) Farm and family expenditures are met out of the same funds; therefore both should be considered in the planning.

The family spending pattern changed during the war. Dollars spent for some things went down, others went up, and others changed very little. Expenditures for food, clothing, health, gifts and donations have increased during this period. Part of the increase in food and clothing may be due to increase in prices but the increase in money spent for health is probably due to payment of old bills and expansion of the Blue Cross Plan to more families. The rise in expenditures for gifts and donations may be due in part to gifts for family members in the armed forces and requests for donations for war activities.

A sharp drop occurred in expenditures for household furnishings, equipment and expenses for the automobile charged to family living.

What can be expected during the coming year? Past behavior of families and conditions likely to exist in 1947 point to high expenditures for family living. The conditions making for high spending in 1947 include:

- (1) Very high incomes in 1946
- (2) The likelihood of a high income in 1947
- (3) Low debts and high liquid assets in the form of bank deposits and United States Savings Bonds
- (4) Higher consumer prices probably through at least the first part of 1947
- (5) Expanding market supplies, especially of automobiles, household equipment, furnishings and building materials.

Expenditures for health will probably not continue to rise as during the war but will remain at a relatively high level compared with 1941.

Past trends show that the more families have the more they spend. Farm expenses and family living expenses go up together.

All families with the same annual income do not spend the same. Families spend according to what they have been accustomed to and according to the standard of living in the community.

In face of these facts, you can see that our programs for 1947 need to supply information that will help farm families know what improvements are feasible. Among new influences likely to affect family living markedly are programs newly initiated or expanded that are designed to bring better health and education facilities to rural communities and better housing to farm families. These programs rely heavily on adult education to acquaint people of possible improvements and ways of achieving them.

Savings of Farm Families

The sharp rise in net farm income was not accompanied by as sharp an increase in family expenditure; hence, a large percentage of the net income was saved. Much of it was used to reduce debts, but farmers as a whole now have large liquid assets in the form of bank deposits, currency and United States Savings Bonds.

All the evidence available indicates that savings are more unequally distributed than income. It is estimated that as of January 1, 1946, 10% of the farm operators had 70% of the demand deposits and one-half of them had none; and that 10% of the farm operators had 75% of the United States Savings Bonds and one-half had none.

Some families are paying off old debts, others have just recently incurred new ones. At present farm sales and purchases are rather numerous. A large percentage of these sales are being made for cash but the size of mortgages being recorded is increasing. This fact in itself is sufficient to indicate serious financial trouble ahead for a considerable group of families.

FARM AND HOME PLANNING

The purpose of farm and home planning is to assist families in using what they have to get where they want to go. One speaker said "family living is 15 years behind production and marketing. The end and aim of production and marketing has not been achieved unless it is translated into farm family living."

Improved family living is one of the most important jobs ahead. If we are to avoid the mistakes which were made by the farmers after the first World War, we will need to emphasize the importance of sound decisions concerning the use of their available funds. No single set of rules can be set up that will apply to all families, but they will have to have definite objectives in making their plans. These plans may be aimed at one or more of the following:

- (1) Improved or stabilized income prospects such as:
 - a. Efficient operating unit
 - b. Buying more land
 - c. Efficient use of land, labor and equipment
- (2) Greater Financial Security such as:
 - a. Use of surplus income to pay debt on farm
 - b. Holding part of savings as a buffer and for emergencies
 - c. Plan savings for retirement
 - d. Purchase of life insurance and annuities
- (3) Higher farm family living standards
 - a. Homes should have improvements and conveniences that will make them attractive to all members of the family
 - b. Plan for expenditures to maintain and improve health of all members
 - c. Plans should provide for adequate education for farm children

The farm is both a very necessary income - producing property and a home.

What Can We Contribute to Farm and Home Plans?

- (1) Make information available so families can make their own plans.
- (2) Translate market material so farmers can make production plans.
- (3) Help make desirable adjustments profitable.
- (4) Take a long look ahead and plan for a long period of time.
- (5) Make farm and home planning a joint enterprise.
- (6) A pattern for family planning cannot be set up for all families are different. Each family should make plans according to their desires, resources, capabilities, income, number in family, community standards and family cycle. We should help broaden their thinking so they can make plans suited to their situation.
- (7) We need to encourage families to plan their own living and let the next generation make own plans.
- (8) Steps all families will need to consider:
 - a. Estimate income
 - b. Determine goals
 - c. Decide what they want to do each year

Where each family starts will depend on families' needs and interests.

RURAL HEALTH

The rural health situation will continue in 1947 to be as challenging a problem as in 1946. The acute shortage and maldistribution of health personnel - doctors, dentists, nurses and auxiliary workers will remain. Few new training facilities are opening to prepare rural youth in the health professions. Inadequate facilities and reduced opportunities for financial security in the country will continue to send doctors needed in rural areas to metropolitan centers.

The Outlook is somewhat brighter but by no means satisfactory for increasing rural hospitals, health centers, laboratory and similar facilities. The passage of the Hill-Burton Hospital Survey and Construction Act will enable most states to complete their surveys of health facilities and to do something about hospital construction. However, the local community will have to provide two-thirds of the cost of construction and will also have to guarantee maintenance. This will mean that small and less prosperous communities cannot qualify for the new facilities they need.

In some places, the people are solving their own health problems. Under the leadership of rural health committees, numerous rural hospitals are springing up. As a result of public debate over matters of health care in the past year, the nation is much more aware of the existing needs for better health services in rural areas.

Tremendous activity can be expected to continue in the field of prepayment health insurance. The plans sponsored by the Farmers' Home Administration will continue. New group health projects are being developed by cooperating local organizations. The Blue Cross hospitalization plan is extending membership to the higher-income group of farm families.

Health education can be expected to increase in volume and effectiveness. The Extension Services, in conjunction with state colleges and farm organizations, will devote major attention to health education activities among rural youth and adults.

CLOTHING

Outlook for Clothing and Textile Prices

Prices of clothing and textiles will continue to increase in the coming months. The question is how much they will increase, how long the price rise will continue and when will some decline occur. Several factors are now bringing increases:

- (1) The pricing policies required in the Price Control Extension Act
- (2) The continued shortage of apparel and house furnishings
- (3) The enormous demand existing
- (4) The continued lack of availability of household equipment and automobiles.

Changes during the year in one or more of these factors may alter price trends. Rising prices are also likely to develop resistance on the part of buyers. Expanded production will be a major factor checking price increases. There seems no doubt that prices of textiles and clothing as a whole are going to rise further in the last few months of 1946 and the early months of 1947.

General Supply and Demand Situation

In many lines, the production of clothing and textiles has increased steadily since the close of the war and the rate of production is already above that of pre-war years. However some types of clothing and textiles are being produced in relatively small quantities, especially low and moderate-cost garments and staple types of clothing.

Even in lines where production is high, consumers find few articles on store shelves. The reason is that the demand for clothing and textile is greater today than ever before, the population has increased 6% since 1941. Many people are wearing more and better clothes than before and we must not forget that veterans have to have new clothes too. As a result of these things it will take a little time for the situation to smooth out, a year or perhaps longer.

Piece Goods: The amount of piece goods made during the war was very low. There is an upward trend in combed or part combed cotton goods. The production of gray goods used for such fabrics as percale, muslin and chintz is at low levels. Still at relatively low levels are bed sheetings, outing flannel, better grades of lawn, organdy and sateen.

Men's Clothes: More men's overcoats are being made than before the war. Men's suits are still scarce. Three times as many men's pants are being produced as in 1939. The production of dress shirts is high though not as high as sport shirts. The production of men's shoes is still low.

Women's Clothes: Women's suits and wool dresses are plentiful. Rayon and cotton dresses are not so plentiful due to fabric shortages. The production of slips is high. The production of pajamas and night gowns is low. Women's shoes are in better supply than men's. Trade sources predict that nylon hosiery demand will be greater than supply through the coming year. Rayon hosiery will probably continue in short supply as there is a limited supply of yarn.

HOUSING

I. Trends in Rural Housing Facilities

Farm and ranch families had some what better housing in 1945 than in 1940.

Survey of housing conditions in U. S. made by the Bureau of Census in November 1945 shows some improvement in housing facilities for farm and ranch families in 1945 as compared with 1940.

Houses provided with electricity - increased 32% to 52%
Houses provided with running water - increased 18% to 28%
Houses provided with bath and toilet - increased 12% to 17%
Houses provided with central heating - increased 10% to 15%
Improvement in space shown by -
Houses with 3 or less rooms - decreased from 25% to 19%
Number of persons per room decreased -

Causes of improvement

Families leaving farms.

1945 - 788,000 fewer occupied farm dwellings than in 1940

Houses abandoned were the smaller, less well equipped ones.

II. Trends in Farm Housing Expenditures

There is some data which suggests that -

War cut back expenditures for furnishings and equipment more than for home improvement.

When farm families got more income some of them were able to increase home improvements in spite of the shortage of materials.

III. Outlook For Housing Improvement - 1947

Construction controls will undoubtedly remain in force until the housing situation is less critical. This will restrict the extent to which families can make housing improvements in the immediate future.

Much farm building can be expected in the coming year if labor and materials are available and controls relaxed.

Even if incomes are below those now expected - some farm families would be willing to cut current savings and draw on past savings. Some would be interested in credit for home improvements.

Survey by BAE in 1946 showed -

About 1/5 farm operators expect to repair or remodel buildings.

1/10 expect to put up new buildings.

\$400 limit on building, repairing or remodeling

Except veterans and those in great need.

Includes cost of labor, materials and equipment - certain exceptions.

Advantage to have farm produced building material and own labor.

IV. Outlook For Building Materials

Present delays in obtaining materials is prolonging construction of a house to 6 or 7 months compared to 3 or 4 months in normal times.

Production of most building materials has increased.

Except some items such as hardwood flooring and mill work productions has not yet reached pre-war level.

Even with high production it has been impossible to keep up with the great demand.

Lumber continues to move into consumption as fast as received.

Supply increasing compared with war years but supply far less than demand.

Efforts to increase further supply of building materials -

Priorities granted to manufacturers of scarce items to help them obtain raw materials.

Price increases on large number of building materials authorized by O.P.A.

Premium payment offered on production of hardwood flooring, cast iron soil pipe, bricks, softwood plywood and some other especially scarce items.

Government given assistance in building roads which give access to timber.

Guaranteed market promised for some new types of materials.

With above aids - should be less difficult to find materials needed to build a house.

Bathroom fixtures still will be short.

Sinks - thought to be plentiful enough to meet demands.

Screening probably scarce through 1947.

Prefabrication

As a means of getting a large number of houses quickly - disappointment.

Only small proportion of goal produced.

Higher production in this type of housing expected in the 4th quarter.

Manufacturers have been given priority on materials to build this type of building.

By 1947 prefabrication industry should be well underway.

Steel, aluminum and concrete take the place of plywood in some ready cut houses.

V. Priorities on Building Materials

Controls over building materials have been increased to channel them to housing.

Larger proportion of the supply of scarce materials has been ordered set aside for house building.

Example: 100% of hardwood flooring

95% of bath tubs

90% of toilets and lavatories

Large numbers of critical materials have been added to the list of those under priority control - which now includes almost everything needed to build a house. Without priority rating it is difficult to buy them.

Large amounts of materials held by War Assets Administration have been promised to holders of veterans preference housing priorities.

Volume of non-housing construction cut to free materials for housing.

Closer inspection of the sale of building materials has been promised to make certain that these materials go mainly to housing.

VI. Building Costs

Costs are high and going higher.

According to BAE - Material in June 1946 - 60% above pre-war level.

Recent price ceiling increases make present prices still higher.

High demand for several years will probably keep prices up.

VII. Credit For Rural Housing - FHA and FCA Offer Loans For Rural Housing Improvement.

Farmer's Home Administration - FHA.

Successor to FSA

Through this farm families can get better housing by:

1. Making loans to farm tenants, farm laborers, sharecroppers, etc., to buy farms and improve the buildings.
2. Making loans to owners of farms that are too small or otherwise inadequate to provide a satisfactory living, to enlarge or improve farms sufficiently to make them economic "family-sized" units, capable of supporting good housing. Such loans can also include funds for house improvements.
3. Insuring loans made by private lending agencies and individuals for these same purposes, thus increasing the supply of credit available to farm families.

The repayment schedule on these loans provides for amortization periods up to 40 years, at three and one-half percent.

They will be available only to farmers who are unable to get suitable credit elsewhere.

Supervisory services will be given to borrowers.

Only one class of individual will be eligible for loans on farms that are less than family size, namely, the disabled veteran who has a pension that, added to his farm income, will enable him to meet living and operating expenses and repay his loan.

Farm Credit Administration - FCA.

According to 1945 revision of Federal Land Bank Law -

64% of normal agricultural value of the farm, including the value of the buildings may be made the basis for a Federal Land Bank Loan
4% interest - 20 to 34 years for amortization.

Commissioner Loan

Available at national farm loan association offices until June 30, 1947

May be made for 75% of the value of the property.

5% interest - paid in 10 to 20 years.

From Production Credit Association

Loans for home equipment and building

Repaid within a short time - usually 3 years at $4\frac{1}{2}\%$ interest.

VIII. Wagner-Ellender-Taft Bill

Housing bill laid aside by Congress with unfinished business when Congress adjourned in August 1946.

FURNISHINGS AND EQUIPMENT

I. Trends In Expenditures

Some records show -

1941 and 1942 were peak years for expenditures for furnishings and equipment.

This was before farm incomes reached war time high.

Halted abruptly by wartime shortages.

Upward trend in these expenditures will no doubt be resumed as consumer's durable goods become more plentiful, even if farm and ranch incomes are below their war-time peak.

II. Outlook For Expenditures

Demand for household durables - large.

Survey by BAE -1946 indicates -

Over 12 million families expect to buy consumer durables such as refrigerators, furniture, washing machines and radios.

Expected to pay an average - \$320 per family.

Expected to finance out of current income or by installment credit rather than use savings.

III. REA Aids Home Improvement

Electric installation is an incentive for home improvement and the purchase of equipment.

REA's program of expansion for the next few years is greater than ever.

IV. Production

Production of some household equipment now higher than before the war.

Labor difficulties caused some slump.

Takes time for equipment to reach retail stores.

Many pieces require for retailers sample models.

Large production must be maintained for a considerable period before back-log of demand is met.

Some production has not caught up with advertising.

Recent orders giving priorities on porcelain grades of steel to manufacturers of plumbing fixtures will work against high production of refrigerators, stoves and washing machines.

V. Prices

Furnishings and equipment cost considerably more than before the war.

OPA approved increase in price of many household articles in August.

The above material incorporates notes taken during Outlook Conference in Washington, D.C. October 7 to 15, 1946.

Reference: Rural Family Living - Annual Outlook - Issue, October 1946
Bureau of Human Nutrition and Home Economics.

NUTRITION AND FOOD CONSUMPTION

The state of nutrition can be described both by measures of food eaten and of levels of health and well-being. Good data exist for the first, especially for the nation as a whole, but not for the second; for it, information from many sources must be pieced together. The out-look for improvement in nutritional health of the American people depends on continuing large supplies of protective foods, and a fair sharing of foods by all families.

Trends of National Food Supplies

An over-all picture of the per capita food supply translated into nutrients shows trends over the years, and probably weak spots in our national diet. Such a picture is now available for the civilian per capita food supplies of the United States from 1909 to 1945. It shows that the national diet from 1942 to 1945, except calories and protein, provided larger quantities of all nutrients studied, than during any earlier year for the period covered. These nutrition levels resulted especially from increased consumption of milk, eggs, meat, poultry, vegetables and fruit and from the enrichment of white flour, and bread.

The most striking trend in the nutritive value of the national diet is the increase in calcium that has occurred during the 37 years studied. This trend follows closely the increase in milk consumption, since from two-thirds to three-fourths of the calcium in the diet comes from milk. In 1945, consumption of milk and its products (except butter) was equivalent to nearly three cups a day per person--a level that is 90 quarts a year greater than in 1909. The higher milk consumption has contributed also to the increase in riboflavin content of the diet.

Since the middle of 1930's there has been a spectacular increase in the ascorbic acid in the national diet. A large part of this increase came from citrus fruit and tomatoes; and a part from green and yellow vegetables.

The enrichment of flour and bread made the greatest contribution to the nutritive value of the diet during 1944 and 1945, years when the present high levels of enrichment were in effect all year. In 1945 the amount of iron in the diet was 18 percent higher than it would have been without enrichment; corresponding figures for thiamine were 27 percent, for riboflavin, 13 percent and for niacin, 19 percent.

Who Gets Food?

Useful as such studies are, a national average tells nothing about the range of dietary levels. It is well known that many low-income families cannot afford to buy the kinds and quantities of customary foods needed for good nutrition and that in winter and early spring diets among rural families are much poorer than in midsummer. Facts on food consumption are, however, far too few to demonstrate the current prevalence of inadequate diets so that they receive the attention they deserve.

The most recent Nation-wide dietary survey in the USA was made in the spring of 1942. The results indicated significant improvement in urban family diets since 1936-37, when the Consumer Purchases Study was made. Nevertheless, it was estimated that in 1942 about half the urban diets did not provide recommended amounts of riboflavin, that a third were low in calcium and a fourth in thiamine. The greatest improvement from 1936 to 1942 appeared to be in the ascorbic acid content of the diet, with only a tenth of the urban diets short of

recommended levels in 1942, However, this nutrient is the one most likely to be destroyed or lost during food preparation and intakes were probably far below the calculated amounts in raw foods.

In September 1944, data were secured on food purchased by urban families. Those with low incomes were spending more for food than would be accounted for by price increases reported. For example, in the spring of 1942, families with incomes under \$1,000 spent \$5.61 for food at home or 51 percent of an average weekly income of \$10.90. In the fall of 1944, families of the same size in the same income group spent \$8.42 per week for food or 71 percent of their weekly income. "It seems obvious that they must have run up large debts, cut seriously into any savings they had, or reduced their purchases of other living essentials to a very low point."

When families with incomes under \$1,000 in 1942 and 1944 are compared, those for 1944 appeared to have better diets. Larger amounts of meat, milk and eggs improved the diet in good quality protein, calcium and some of the B-vitamins. They used about a fourth more grain products measured in terms of flour equivalent. The fact that all white bread and much of the white flour was enriched in September 1944 and that levels of enrichment were higher than in 1942 resulted in diets containing more iron, thiamine, riboflavin, and niacin. Purchases of fruit were higher in 1944, but those of vegetables were lower. Many of the families in towns and the smaller cities had vegetables from their gardens during the time this survey was made.

Home gardens were more prevalent during the war years than ever before especially among town and village families. In 1945 about 40 percent of all nonfarm families in the United States reported home gardens. Those with gardens tended to eat more vegetables than those who bought all their food even when incomes were adequate. To the extent that home-grown vegetables are good sources of vitamin A, which can be stored in the body, consumers of these foods may carry the benefits of their summer gardens well into the winter months. There is no question but what victory gardens helped to improve diets through greater consumption and through reduction of vitamin losses that occur between harvesting and consumption of commercial vegetables.

Most farm families have vegetable gardens and the home preservation of vegetables and fruits for winter use has been a common practice. It is probable, however, that during the war years more attention has been given to providing a year-round supply through better planning, making fuller use of the growing season, and through canning, storing or freezing larger quantities of these foods. Where this has been done family diets have benefited.

Nutritional Health

Studies of the national food supply, of a nation-wide sample of family diets in 1942 and of food purchases by urban families in 1944, suggest that nutritional levels in the United States have been higher during the last 2 or 3 years than in any previous period. Among the reasons for this improvement are - higher purchasing power, an abundant supply of protective foods, a better understanding of nutritional needs, the enrichment of flour and bread, school lunches and industrial feeding.

Numerous observations on the attendance, behaviour, and progress of children receiving school lunches suggest that improvement in the nutrition of the children occurred. A total of 6.6 million children benefited from the Federal school lunch program in the peak month of 1944-45. This number does not include those who participated in other school lunches.

The same conclusions can be drawn from experience with industrial feeding. There is evidence that good meals on the job brought about measurable improvement in terms of productivity, attendance and turnover which must mean better nutrition of the workers.

Studies of nutritional status do not as yet lend themselves to direct time comparisons or year-by-year series such as are available from food consumption data. Many of the methods of testing nutritional health are too new and some still unsatisfactory. Interpretation of some of the findings is still controversial.

A round-up of recent investigations shows that malnutrition is found in all segments of the population, but that it is more common among the lower than the higher income groups. Substandard nutrition is extremely common with children both urban and rural.

Several studies have been made of the diets of pregnant women together with observations on the course of pregnancy and on the condition of infants. Results of these studies leave no doubt that an unsatisfactory state of nutrition during pregnancy is more widespread than had been generally realized. They emphasize that the place to begin to improve the nutrition of the child is with the mother. Few severe nutritional deficiencies are reported but mild or subclinical forms are spread.

The health deficiencies most often reported suggest inadequate ascorbic acid, iron, riboflavin, and vitamin A. The frequency with which such deficiencies are noted may mean, however, that tests for inadequate consumption of these nutrients are easier to make and therefore more investigators use them, or that the criteria for judging the deficiencies are fairly specific. Calcium deficiencies are seldom reported although dietary studies usually show this nutrient to be one of those most often low in diets. It is probable that if simple and specific methods for determining the adequacy of calcium nutrition were available, more deficiencies would be reported.

The Status of Enrichment Legislation

Enrichment of white bread and rolls on a national basis may end with the decontrol of prices on bakery products or with the termination of the War Emergency Period. Thereafter legislation on enrichment will be up to the States. Eighteen States, Hawaii and Puerto Rico have already passed bills on enrichment, Texas has a law on enrichment of wheat.

The States Relations Division of the Department of Justice has drafted and distributed a proposed bill on enrichment. It suggests standards for enrichment of white bread and flour. It should serve to stimulate uniform standards for enrichment among the States. If State Laws are not uniform on enrichment, in other words, if different requirements are set up among States, millers and bakers who ship their products from one State to another will find them extremely annoying. The Food and Drug Administration has established standards and labeling requirements which apply to all interstate shipments of enriched flour and bread. It is hoped that the States will adopt similar standards. (Over 70 percent of the Nation's flour and about 10 percent of bakery bread move in interstate commerce.)

The proposed legislation sent to the States does not prescribe fixed methods by which the level of required enrichment shall be attained. Enrichment may be made through: (1) The use of natural products containing the required nutrients, (2) By the addition of nutrients from natural or synthetic sources, (3) Or by combinations of both. Satisfactory methods of producing enriched flour and enriched bread have been developed and are well known by the milling and baking

industries.

If diets of farm families in the CPS study of 1935-36 had been enriched at the present levels of enrichment, more farm families would have had adequate diets. In the income group of \$100 to \$300 per person per year, 41 percent of the North and West families had adequate diets without enrichment; this would have increased to 48 percent if all white bread and flour had been enriched. Thirty-nine percent of Southeast white operator families in the same income group had adequate diets without enrichment; 49 percent would have had good diets with enrichment. The percentage of Southeast Negro families with adequate diets would have risen from 38 percent to 53 percent with enrichment.

Home Gardening and Preservation

Information on the extent of home-preserving and home-gardening which had been done in the 1945 season was obtained by the Bureau of Agricultural Economics in a nation-wide sample survey.

This survey showed that about half of the households in the United States or about 18.4 million homes had home gardens. The proportion that reported gardens in 1945 was about 6 percent lower than that for 1944.

In 1945 almost two-thirds of nonfarm households and more than nine-tenths of farm households preserved some fruits and vegetables by canning, brining, pickling, freezing or drying. This amounts to about 25.7 million homes in the country in which some preserving was done.

Almost the same proportion of housewives reported doing some preserving in 1945 as in 1944 but about half of those who did preserve in 1945 put up less food than they had in 1944. The reason most frequently given for preserving less than in 1944 was that less food was available in the markets or farm gardens. Lack of sugar was mentioned rather frequently.

Six out of 10 farm families and two out of 10 nonfarm families reported storing some fresh vegetables or fruit. Others planned to store later in the season. White potatoes and onions were most frequently stored.

Eight out of 10 farm families and about one out of 10 nonfarm families reported preserving some meat by curing, freezing or canning between fall 1944 and October 1945. About one-third of farm households froze meat or put it into cold storage and about one-eighth froze fruits and vegetables. A very small proportion of nonfarm families froze these foods or put meat into cold storage.

Tomatoes ranked first among vegetables preserved. Green or wax beans and some kind of pickles, relish or catsup were also put up by a large proportion of housewives. Most popular fruit for preserving was peaches.

Steam pressure canners were used by about one-fifth of the nonfarm housewives and by about two-thirds of farm housewives. Most of the housewives who used pressure canners owned them.

Only 4 percent of farm families and 1.3 percent of nonfarm families used community canning centers.

Interest in frozen food lockers and home freezers is very great. Although there was difficulty in getting equipment and other materials, 1,561 new frozen food locker plants have been opened and put in operation throughout the country since last summer, according to reports from the Agricultural Extension Service. There were 8,025 of these plants open and operating in July, with many others reported under construction in almost all of the States. In 1941, there were only 3,623 of these plants. It is estimated by the Farm Credit Administration that 1,875,000 farm families now are using frozen food locker plants. In addition, thousands of town and city people now have this service.

1. Heala lost his ^{notes}
2. I forgot my part one time
3. Peace on Earth
4. Scared Pigeon
5. Talking about money - it my father do all that
6. Fence the garden, but hit the chickens into get green feed
7. King & Master put on plants some

Poultry

1. What can we expect?
 - A. 1st half of 1947 should be good
 - B. We have to grow poultry, it is a gamble
2. What are some of our problems?
 - A. Mangel or mixed flock
 - B. Three sizes - only need two
 - C. Poor quality chicks
3. Follow the fundamental principles
 - A. Chart
4. Brooding, Rearing, Laying house, Broiler, Prod. & Turkeys