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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
NORTH CENTRAL DIVISION

BACKGROUND INFORMATION

For Use of AAA Committeemen and Field Workers

I. Supplies and Prices--Corn, Other Feeds, Livestock.

II. Surplus Distribution Through the Stamp Plan.

III. A Year Under the A.A.A. Wheat Program.

IV. The American Farmer Has the American Market (Export-Import Situation).

September 1, 1939.

[illegible] of all feed, according to late crop estimates, will be [illegible] 1928-37 pre-drought average. There is a surplus [illegible] supplies to feed crops other than corn.

Oats--

The 1939 oats crop, now estimated at 698 million bushels, is [illegible] fully below both 1938 production and the 1928-37 average. This resulted in part from a reduced acreage and in part from a yield of only 26.7 bushels per [illegible] compared with the 1928-37 average yield of 27.7 bushels. The price of oats [illegible] been relatively higher than the price of corn in 1939 as compared with the two years.

Barley--

The 1939 barley crop is estimated at 257 million bushels, slightly above that in 1938 and substantially above the 1928-37 average. The carry-over of barley is more than 50 percent larger than a year ago. The present supply is well above the average for the last 10 years, a fact that has contributed to slightly lower prices than in 1938.

Grain Sorghums--

The grain sorghum acreage this year was much larger than in 1938, but production is indicated to be substantially lower, since the yield declined from 12.9 bushels in 1938 to an anticipated 10.4 bushels in 1939. The average price received by farmers for grain sorghums on July 15, 1939, was 87 cents a bushel, compared with 80 cents a bushel on the same date a year earlier.

High Protein Feeds--

The total supply of high protein concentrates for 1939-40 is seen as slightly larger than was available during the 1938-39 feeding year. A substantial increase in flaxseed production and a soybean crop expected to be the largest on record are the principal factors in this situation, expected to lead to larger domestic supplies of linseed cake and meal and soybean cake and meal. The cotton crop for 1939 is estimated at about a half million bales less than the 1938 crop, indicating there will be a slightly smaller supply of cottonseed cake and meal available.

Wheat and Rye--

With production of both wheat and rye lower in 1939 than in 1938, indications are that the amount of these grains fed to livestock during 1939-40 will be less than in 1938-39. The A.A.A. rye loan will likely be a factor in withholding a part of the current crop from feeding.

Hay--

The total United States supply of hay for 1939-40, including the hay carry-over and the 1939 crop, amounts to 98 million tons, compared with 101 million tons in 1938. The supply in 1939, however, is expected to be the largest since 1927, except for 1938.

THE LIVESTOCK SITUATION

Expansion of livestock continues; 1939
pig crop to exceed pre-drought average;
beef and dairy cattle increase.

In General--

The large feed supply has further stimulated the expansion in livestock production, which began during 1936 and 1937 when farmers were without the acreage adjustment features of the Act of 1938. The number of grain-consuming animals on farms on January 1, 1939, was 127,040,000 as compared with 121,578,000 in 1938, and the 1929-38 average of 131,263,100. The number at the end of the year is expected to be considerably above average.

At the present level of consumer buying power and export demand, somewhat less than present livestock numbers undoubtedly would furnish adequate meat and livestock products for domestic consumers and for exports, and would provide farmers with more satisfactory prices and incomes. Because drought has curtailed feed supplies in the Great Plains, slightly larger livestock numbers are needed in such areas to protect farm income.

How Big Is The 1939 Pig Crop?

Hog production is back to pre-drought levels, even a little higher. The 1939 spring pig crop was 20 percent larger than that of 1938. The number of sows indicated to farrow this fall is about 16 percent larger than in 1938.

Indications are that the combined spring and fall pig crops of 1939 will total about 83 million head. This number would be about 17 percent larger than the total 1938 pig crop. It would be the third largest crop since 1923 and about 4 percent larger than the 1929-33 (pre-drought) average.

Why Are Hog Prices Down?

The larger pig crop in 1938 and the spring of 1939 meant increased marketings and lower hog prices this fall. The larger crop in the fall of 1939 will mean lower prices in the early part of 1940 than a smaller crop would bring.

Pigs produced must be thought of in terms of the price at the time they will be sold -- eight months or so after they are farrowed. To decide whether or not it will be profitable to maintain or to increase hog numbers, present and future corn prices must be compared with prospective hog prices for future months.

Will Consumption Increase?

While consumer demand for hog products has been greater in 1939 than in 1938, as a result of improved business and industrial conditions, it was not

sufficient to maintain good prices for the increased hog marketings that resulted from the large production.

Hog producers can no longer look to foreign markets for much help in solving their problem. We exported at least a billion pounds of pork and lard annually before 1930. Lower foreign demand, high trade barriers, and the droughts cut these exports to a low point of 159 million pounds in 1935-36. Exports rose again in 1937-38 to 270 million pounds and will be still larger this year, but will remain substantially below the pre-1930 level.

A large part of our exports of pork and lard is consigned to Great Britain, where the quantity imported is limited by quotas. Where we once sold Germany a quarter-billion pounds of lard and pork annually, our exports to that country are now negligible.

Under present world conditions, there is little chance of selling much more of our surplus pork and lard to foreign countries.

Why Do We Have A Surplus of Fats and Oils?

As of July 1, 1939, domestic stocks of fats and oils exceeded somewhat the previous record stocks of a year earlier and were around 500 million pounds larger than two years ago. The increase in stocks of fats and oils within the last two years, however, may be offset to a large extent in the 1939-40 year by a decrease in imports. Since 1936-37, imports have been declining steadily.

The production of lard this year will be larger than in any other year since 1934, but it will still be below the average production for the decade of the 1920's. Increases also are expected in the production of soybean oil and of peanut oil. On the other hand the cotton crop is likely to be the smallest since 1935, and the prospective decrease in the production of cottonseed oil will offset to some extent the increases in lard, soybean oil, and peanut oil.

Partly due to the elimination or reduction of foreign duties on lard through the reciprocal trade agreements, lard exports are expected to show a material increase in the 1939-40 marketing year. Exports of soybeans may also increase materially this year since prices of American beans are lower than those reported for Manchurian beans. The price of domestic cottonseed oil is now lower to the domestic manufacturer than the price of foreign oil. Under these circumstances domestic cottonseed oil naturally will be preferred.

Among the proposals for dealing with the conditions brought about by comparatively low prices for fats and oils are: (1) domestic diversion of some of the surplus from edible channels to the soap trade; (2) purchase of lard and possibly other pork products for distribution to the needy; (3) sound credit transactions underwritten by the Export-Import Bank to obtain additional increases in exports of lard and soybeans.

The Outlook For Lard And Fats And Oils

The supply of cottonseed oil depends directly, of course, on the size of the cotton crop. Under the A.A.A. the last two years, cotton production has been adjusted to a level substantially below the record crop of 1937.

Under the corn re-sealing program, the Department of Agriculture, in cooperation with farmers, will store for another year the 257 million bushels of corn now under A.A.A. loans. If fed to hogs, this amount of corn would produce 300 million pounds of lard to be added to the surplus.

When hogs are marketed at heavy weights (above 230 pounds), more lard is produced. Because of a favorable corn-hog ratio, hogs have been fed to heavy weights for more than a year. This and other causes have made the surplus of lard considerably greater than the surplus of pork. The sealing of a relatively large amount of corn will be an important factor in controlling the lard surplus, since it will help to obtain marketings of hogs at lighter weights.

What Is The Beef Cattle Situation?

The number of cattle and calves on farms on January 1, 1939, was 65,821,000, as compared with 65,083,000 in 1938. On the basis of present indications, it is expected that cattle numbers on January 1, 1940, will be one million head or more larger than at the beginning of 1939.

The 1939 figure was 2,310,000 greater than the 1927-36 average of 63,511,000 cattle on farms January 1. The number of cattle on feed for market in the Corn-Belt States on August 1, 1939, was estimated to be 14 percent larger than the number on feed a year earlier. The increase was general over the whole area, with larger numbers estimated on feed in all but one of the States, Minnesota.

The recurrence of drought conditions again this year over much of the western half of the United States (North Dakota to Texas and westward) will have some effect on the cattle situation during the next few years. If rainfall in this area continues below normal during the fall, smaller increased marketings over those of a year ago may be expected for a number of weeks.

The average price of all grades of beef steers at Chicago during July 1939, was $9.30. This was about a dollar below the 1924-33 average.

What Is The Dairy Cattle Situation?

The number of milk cows on farms on January 1, 1939, was estimated as 1 percent larger than a year earlier, and, with the exception of four years 1933-36, inclusive, was the largest on record.

More striking than the increase in milk cow numbers, however, is the increase in the number of heifers to be added to milking herds in 1939 and

[illegible] The number of yearling heifers being kept for milk cows on January 1 was 4 percent larger than a year earlier and the third largest on record. Taken together, the number of heifer calves and yearling heifers is high in relation to the number of cows and decidedly larger than needed for ordinary replacements.

Partly as a result of the unusually favorable feed conditions, the production of all manufactured dairy products, including farm butter, reached a new peak during 1938 which was 17 percent above the 1924-29 average. For the first six months of 1939, production was about the same as during the same period in 1938. Total milk production for August 1, 1939, was 1 to 2 percent less than a year earlier, but otherwise was the highest on record.

How Does The A.A.A. Program Affect Livestock?

The A.A.A. commodity loan program offers farmers the opportunity of preventing further expansion of livestock numbers, thus halting the increase in supplies and marketings that have led to lowered prices.

With hogs between $5.00 and $6.00 per hundred, it will not ordinarily pay farmers to feed corn eligible for present corn loans to increased hog numbers.

The A.A.A. corn program offers a definite safeguard to livestock farmers. Through acreage adjustment, it will protect them from large corn supplies. When, as in 1937, 1938, and 1939, high yields lead to large corn supplies in spite of acreage adjustment, the corn loan is a protection against low corn prices that would force cash grain farmers into livestock production.

THE CORN CARRY-OVER

257 million bushels under farm loans; carry-over is only 20 percent of normal crop; re-sealing is a bulwark against drought.

Where Is This Carry-Over?

Of the estimated carry-over of 425 million to 475 million bushels, 257 million bushels of corn have been sealed for corn loans. The rest is in private storage apart from the loan program.

It is expected that a considerable portion of the 257 million bushels under seal will remain in farm storage another year under extensions of 1937 and 1938 corn loans. Some of this corn will be delivered in settlement of corn loans. In these cases title will pass from the farmer who produced the corn to the Commodity Credit Corporation.

What Will Be Done With It?

This corn will be withheld from market until it is needed on farms for feeding livestock or until higher corn prices justify its movement into regular trade channels.

Building an Ever-Normal Granary has taxed present farm storage facilities to the limit, and private storage may be nearly exhausted by storage of wheat and corn to which farmers hold title. More farm and elevator storage space is needed to build an adequate Ever-Normal Granary.

Commodity Credit Corporation, therefore, is buying steel grain bins in sizes of 1,000 to 2,000 bushels. These will store the 1937 and 1938 corn which is delivered in settlement of the loans. They will be placed at country points and will be under the supervision of county agricultural conservation committees.

Commodity Credit Corporation has already purchased bins sufficient to store 45 million bushels of grain and has made plans to buy more storage space if it is needed. Country storage in the steel bins will eliminate unnecessary country-to-terminal and terminal-to-country freight charges at the time the corn is finally used for feeding livestock.

Is Our Carry-Over Too Large?

A carry-over of around 450 million bushels of corn will amount to only 20 percent of a normal year's crop. In the event of crop failure, it would feed the nation's livestock for less than three months. The United

States has been accustomed to carry over into the new crop year only about 7 percent of a normal crop of corn -- less than a two-month supply of livestock feed. This small carry-over is one of the principal hazards in the economy of the Corn Belt -- one of the reasons for the lack of stabilized feed and livestock supplies that has resulted in cycles of abundance and scarcity in the nation's "market basket."

The corn carry-over is one of the smallest among our farm commodities. In the case of wheat, for example, 25 percent of a crop is normally carried over. The problem is to provide the machinery that will permit storage of enough corn to carry us through drought years and store it in such a manner that it will not depress the market. Only in this way can production and price of livestock and livestock products be stabilized.

From the bumper corn crop of 1932, we carried over 386 million bushels of corn in 1933. Of this, 271 million bushels were placed under seal in the corn loan program. When drought hit in 1934, the nation's farmers, who two years previously had produced the largest corn crop in the history of the country, found their corn reserve insufficient even to carry foundation herds of livestock through one year.

As the corn supply dwindled prices rose. Cattle and hogs were rushed to market at sacrifice prices. In the fall of 1935, with livestock numbers down to their lowest levels since before the World War, the nation carried over only 65 million bushels of corn. There was no chance to build a reserve before the drought of 1936 struck. The situation in 1934 was repeated and in the fall of 1937, only 66 million bushels of corn remained in the nation's cribs.

Farmers of the Corn Belt, in the three years since that time, have built a reserve of around 450 million bushels of corn -- roughly 20 percent of a normal year's crop. Most of it is stored in the country -- on farms. It is the Corn-Belt farmer's bulwark against another 1934 or 1936 -- against a disrupted livestock industry, against imports of corn from abroad, against the hardships that result when the farmer has nothing to sell.

Why Should A Farmer Reseal His Corn?

When a farmer reseals his corn, he protects himself against shortage and high prices for feed. He will take the profit himself from price increases.

The farmer who delivers his corn to the Commodity Credit Corporation in liquidation of his loan gives up title to corn that may gain considerably in value if resealed. He forfeits the opportunity to benefit by a rise in the price of corn. He takes the risk of running short of corn in case of drought and being forced either to buy high-priced corn or drop out of livestock production. He jeopardizes the Ever-Normal Granary that he and other

farmers have worked three years to build and the opportunity the farmers of the Corn Belt now have to protect their corn prices and incomes.

If the United States is to carry over the amount of corn needed as a reserve under present conditions, more storage space will have to be provided. On the farm where the corn is produced, the farmer may store his grain indefinitely, until he is ready to feed or sell it, without the accumulation of storage charges paid to others. The storage allowance of seven cents a bushel offered farmers under the 1939 corn resealing program will pay for about half the cost of additional crib space.

The seven cents is the farmer's assured profit under extension of his corn loan, either as a storage allowance or a rise in price. The new crib or granary becomes a part of the farmer's farm plant, a definite asset and a guarantee that he will be able to store a reserve of ear or shelled corn on his farm for years to come.

Will There Be A Corn Loan In 1939?

Corn loans are made every year when the crop is normal or better, or when the price is below 75 percent of parity, except in years when corn marketing quotas are proclaimed but are opposed in the farmer referendum.

The rate of the expected 1939 corn loan will not be known until November when crop data to be used in determining the rate will be available.

Corn under loan should not be considered part of the available supply, since it is not for sale nor available for feeding. The effect of having a large number of producers eligible for loans will be to reduce the available supply, which depresses the market when it grows too large.

SURPLUS DISTRIBUTION THROUGH THE STAMP PLAN

The stamp plan for surplus commodity distribution through regular retail channels supplants, in a group of experimental areas, the direct distribution of such commodities to families on relief. Under the plan, foods designated by the Department of Agriculture as being in surplus are distributed to needy families through regular retail grocery stores.

The stamp plan is so named because orange and blue surplus food order stamps are the medium of exchange in making commodity purchases. Any person eligible for public assistance may obtain orange stamps in place of an equivalent amount of cash WPA wage or relief payment. These stamps have a retail value of 25 cents each and are accepted in exchange for any food at retail food stores.

With each two orange stamps, the applicant receives free a blue stamp, also valued at 25 cents. The blue stamps are good in food stores for only those farm products designated as being in surplus by the Secretary of Agriculture. This gives the recipient extra purchasing power. The stamps are redeemable from Federal Surplus Commodity Corporation funds. In order to guarantee a continuance of regular food purchases, the recipient is required to buy not less than $1 in orange stamps weekly for each member of his family, and receives free 50 cents worth of blue stamps. This provides a total of $1.50 per week per person for food purchases.

The plan was inaugurated May 16 in Rochester, New York. It has since been extended to Dayton, Ohio; Seattle, Washington; Birmingham, Alabama; Des Moines, Iowa; and Pottawatomie County, Oklahoma.

In the first three and a half months of the plan, studies indicate these advantages: Food sales in cities using the plan tend to increase beyond the amount represented by commodities obtained with the blue stamps, giving farmers a broader market for their surpluses. The increased volume of trade in groceries tends to stimulate many other types of retail sales. Persons on relief appear to like buying surplus commodities through regular grocery stores, since participation in the plan, which is voluntary, has tended to increase steadily. Needy persons who have participated in the plan are getting not only a more adequate diet but apparently in most cases a better balanced diet.

A YEAR UNDER THE WHEAT PROGRAM

United States wheat farmers in the last year have used the AAA wheat program to good advantage in protecting themselves from the worst effects of a depressed world wheat situation. A world supply of 5,290 million bushels -- 120 million bushels more than last year's record supply -- has driven world prices down. On July 24, the Liverpool price of wheat was 48¼ cents a bushel, the lowest since 1592. If the U. S. wheat farm prices were as much below Liverpool as usual, wheat farmers would be receiving only 20 to 25 cents a bushel.

In the face of that depressed world wheat situation, United States wheat farmers during the last year improved their domestic supply situation and are maintaining domestic farm prices of wheat from 25 to 35 cents a bushel above the normal relationship with world prices.

WITHOUT A WHEAT PROGRAM	WITH A WHEAT PROGRAM
Acreage	
U. S. wheat seedings in 1938 were 80 million acres. 1937 seedings set a record of 81 million acres.	With high percentage compliance with the 1939 acreage allotments, U. S. farmers reduced seedings 19 percent under 1938 to less than 65 million acres. Estimated acreage for harvest is 55 million acres.
Production	
Production in 1938 was 931 million bushels, fourth largest in U. S. history. The 1937 crop was 876 million bushels.	The August 1 estimate of the U. S. 1939 crop is 731 million bushels, 200 million bushels smaller than 1938's crop. The 1939 crop is only slightly higher than domestic consumption.
Supply	
In 1937 the U. S. supply was 959 million bushels. In 1938 it exceeded a billion bushels.	Farmers reduced production through acreage adjustment. The U. S. export program helped reduce the surplus from the large 1938 supply. As a result, current supply is about 985 million bushels. The 1940 allotment is increased from 55 to 62 million acres.
Ever-Normal Granary	
Consumers as well as farmers have been victims of rapid, and occasionally violent, fluctuations of wheat supplies and wheat prices. Farmers have been forced to gamble on crops, and to dump wheat on the market regardless of prices.	U. S. carry-over on July 1, 1939, was 254 million bushels as compared with 1924-28 average carry-over of 115 million bushels. Of the 254 million, about 200 million bushels is hard red winter and hard red spring wheat. With wheat loans farmers can store surplus wheat, for more orderly marketing. Crop insurance assures farmers wheat income in spite of crop failure.

WORLD TRADE

World import markets have shrunk, largely as a result of nationalistic trends, from 950 million bushels 10 years ago to a prospective 525 million bushels this year. Meantime, world export supplies have increased and competition for markets has intensified.

To hold a fair share of the world wheat market for the American farmer, and to relieve the domestic surplus a year ago, an export program was launched. By June 30, 118 million bushels had been sold for export. This export program is being continued into the current year. At the present time world exporting countries are in a world wheat conference in an effort to bring order into world wheat marketing.

PROGRAM MEANS HIGHER FARM INCOME

Conservative estimates place the benefits of the wheat program at more than 20 cents per bushel on the estimated amount which would normally have been marketed during the months of the past marketing year in which the export and loan programs were in operation.

If the present spread between the domestic farm price and the Liverpool price continues at about 30 cents per bushel above normal, the value of the present crop of 731 million bushels will be increased by at least 200 million dollars.

The AAA cooperator will have benefited from a loan on his wheat and he will be eligible to receive 28 cents a bushel in 1939 parity and conservation payments. In other words, the AAA cooperator in the main wheat States will realize at least 80 to 90 cents a bushel for his wheat in 1939.

[illegible]
BY THE AMERICAN FARMER

The American farmer still has the American market for the taking. He always has. The same is no less true today. For many years he has [illegible] approximately 95 percent of the domestic market. In recent [illegible] that percentage has not declined; if anything, it has increased.

But why shouldn't the American farmer, with his agricultural surplus [illegible] percent of the domestic market? If he were to completely [illegible] domestic market, he would be doing two things.

First, he would be raising products which he is not equipped to [illegible] coffee, rubber, silk, and bananas. Consequently, they would be [illegible] at a high unit cost, if at all.

Second, because he would be shutting out all imports [illegible] into this country, his products would likewise be barred from [illegible] here. And since the American farmer needs more than the American market [illegible] could not afford that course. For instance, during the past 10 years, [illegible] agricultural exports have averaged $1,346 million, whereas [illegible] have averaged $718,000,000. To have gone on a strictly national [illegible] during this period would have cost the American farmer $628,000,000 [illegible]

Year	Gross Farm Income	Domestic Farm Exports 15%	Competitive Farm Imports 10%	Percent [illegible] Market [illegible] American Farmer
	Million Dollars	Million Dollars	Million Dollars	[illegible]
[illegible]	11,483	1,793	[illegible]	89
[illegible]	13,[illegible]	1,816	1,[illegible]	91
[illegible]	12,378	1,844	1,[illegible]	91
[illegible]	12,437	1,[illegible]	1,[illegible]	91
[illegible]	12,[illegible]	1,584	1,[illegible]	91
[illegible]	12,791	1,439	1,[illegible]	90
[illegible]	12,[illegible]	1,[illegible]	[illegible]	91
[illegible]	[illegible]	[illegible]	[illegible]	92
[illegible]	[illegible]	[illegible]	[illegible]	91
[illegible]	[illegible] 2/	[illegible]	[illegible]	91
[illegible]	[illegible] 2/	[illegible]	[illegible]	91
[illegible]	[illegible] 2/	[illegible]	[illegible]	91
[illegible]	[illegible] 2/	603	[illegible]	91
[illegible]	[illegible] 2/	[illegible]	1,[illegible]	91
[illegible]	[illegible] 2/	[illegible]	[illegible]	91

THE [illegible] AMERICAN PORK MARKET [illegible]
BY THE AMERICAN PORK PRODUCER.

The American farmer has the American pork market, what he needs is an export outlet for his surplus hog products, rather than additional protection from foreign imports.

Up until 1936, pork imports into this country were so small as to be only a fraction of one percent of our total domestic production. During the last three years, high pork prices, resulting chiefly from drought liquidation of herds, have attracted slightly increased importations. During these three years pork imports have amounted to one percent of our total domestic production.

The largest proportion of pork imports into this country at all times is the result of continued demand for such luxury products as Polish tenderloins

Year	Pork Production	Total Pork Imports 1/	Percent Imports are of Production 2/
	Thousand Pounds	Thousand Pounds	Percent
1924	9,149,000	10,513	-
1925	8,128,000	18,495	-
1926	7,966,000	22,135	-
1927	8,430,000	41,294	-
1928	9,041,000	14,823	-
1929	8,833,000	8,866	-
1930	8,479,000	4,670	-
1931	8,734,000	4,063	-
1932	8,915,000	5,767	-
1933	9,124,000	2,918	-
1934	8,342,000	1,650	-
1935	5,953,000	12,372	-
1936	7,535,000	51,432	1
1937	6,886,000	83,936	1
1938 2/	7,563,000	52,413	1

1/ Imports for consumption.

2/ Preliminary.

3/ Blanks indicate less than 1 percent

[illegible] THE DOMESTIC CORN [illegible] SUPPLIED BY THE AMERICAN CORN PRODUCER

Except for the unprecedented drought years, 1934-36, corn imports into the United States have never amounted to as much as one percent of our domestic production.

During the drought year of 1934 only 37,000,000 bushels of corn moved into this country for consumption. During 1936, with little reserve on hand, 164,000,000 bushels of corn were imported, amounting to about 7 percent of the 1936 production which was 1,029,000,000 bushels below the 10 year average. In view of the fact that 85 percent of our corn supply is consumed by livestock, these importations, small as they were, undoubtedly benefited the average American farmer and consumer

Imports of corn come largely from Argentina and are consumed almost altogether in areas on the Pacific and Southeastern Atlantic Coasts where little corn is grown. Corn can be shipped by boat from South America, meet the tariff of 25 cents a bushel, and sometimes still be cheaper in these deficit areas than corn shipped by rail from the Corn Belt of the United States.

Year	U. S. Corn Production 1/	Corn Imports 2/	Imports as a Percent of Production 4/
	1,000 bushels	1,000 bushels	
1924	2,223,123	2,892	--
1925	2,798,367	357	--
1926	2,546,972	3,750	--
1927	2,616,120	2,940	--
1928	2,665,516	342	--
1929	2,521,032	846	--
1930	2,080,421	1,386	--
1931	2,575,611	377	--
1932	2,931,281	173	--
1933	2,399,632	983	--
1934	1,461,123	36,955	3
1935	2,303,747	21,096	1
1936	1,507,089	103,669	7
1937	2,651,284	1,819	--
1938 3/	2,542,238	--	--

1/ Production in grain equivalent on entire acreage.
2/ Year beginning October 1, includes meal; imports for consumption beginning 1933.
3/ Preliminary.
4/ Blanks indicate less than 1 percent.

Compiled by Division of Information, AAA, from published B.A.E. figures

THE SHARE OF THE DOMESTIC DAIRY MARKET SUPPLIED BY THE AMERICAN DAIRY PRODUCER.

The accompanying chart shows that even during the period of our heaviest dairy importations (1924-29), the amount of milk and milk products imported into this country never exceeded about 1 percent of our total domestic production. Since 1930, however, that percentage has been running somewhat lower and in 1938 amounted to only one-half of one percent of domestic production.

In 1938 about 531 million pounds of dairy products were imported into this country for consumption, compared to an annual average of 1,211 million pounds for the 1924-29 period. This trickle of dairy imports is made up primarily of special and fancy European cheeses supplying a luxury demand and a small amount of fresh milk and cream from Canada.

Changes in domestic consumer purchasing power are vastly more important to American dairymen than either the imports or exports of their products.

Year	Total Milk Production	Imports for Consumption 2/	Imports as a percent of Production
	Million Pounds	Million Pounds	Percent
1924	91,489	1,394	1.5
1925	92,616	1,256	1.4
1926	95,966	1,435	1.5
1927	98,155	1,459	1.5
1928	99,434	1,283	1.3
1929	102,422	1,146	1.1
1930	103,436	847	0.8
1931	103,890	673	0.6
1932	106,878	445	0.4
1933	107,578	427	0.4
1934	104,354	479	0.5
1935	114,217	940	0.9
1936	106,009	813	0.8
1937	105,958	818	0.8
1938 1/	109,981	541	0.5

1/ Preliminary.

2/ Imports for consumption 1924-1929 include imports of condensed milk from countries including Canada, fresh milk and cream, butter, cheese, and evaporated milk. Dry milk and cream and malted milk are excluded.

THE SHARE OF THE DOMESTIC BEEF MARKET SUPPLIED BY THE AMERICAN BEEF PRODUCER

Since 1923, annual imports of cattle and beef have averaged only 3 percent of our total domestic production. These imports have varied from year to year in accordance with the level of cattle and beef prices. In 1929, for instance, when prices were high, imports equaled nearly 6 percent of domestic production. During the depression as prices declined imports also declined, until in 1931 they equaled only 1 percent of domestic production.

Live cattle from Canada and Mexico, together with canned beef, largely corned beef from South American countries, comprise the bulk of these imports. The imports of canned beef in terms of carcass beef exceed those of live cattle.

Imports of live dutiable cattle during the past three years have been coming in at about the pre-depression level. For the 1936-38 period they averaged 439,360 head annually as compared to 454,670 for the 1927-1929 period.

Imports of canned beef in recent years have on the average exceeded somewhat the pre-depression levels, as the United States has come to depend almost entirely upon South America for its canned beef.

Prior to 1934 this country had practically ceased producing canned beef, as facilities for this type of canning in the packing industry were very limited and as American packers apparently found that other methods of sale were for the most part more economical. Before the War quantities were canned domestically but this beef came largely from low-grade cattle and was inferior in quality to that now imported. As a rule, much of the inferior quality beef previously put up domestically in cans is now sold as sausage ingredients and used in the manufacture of sausages. Domestic packers have usually found a better outlet in the fresh meat trade for the domestically produced beef of the grade from which the imports of canned beef have been produced than has been possible through the domestic canned meat industry.

THE SHARE OF THE DOMESTIC BEEF MARKET SUPPLIED BY THE AMERICAN FARMER, CALENDAR YEARS 1924-38

Year	Imports 1/					Production of Beef and Veal Dressed-weight Basis	Percent Imports are of Production
	Cattle (dutiable)	Dressed-Weight Basis					
		Cattle (dutiable)	Canned Beef	Other Beef	Total Cattle and Beef		
	Number	Thousand Pounds	Thousand Pounds	Thousand Pounds	Thousand Pounds	Thousand Pounds	Percent
1924	141,985	60,440	17,566	18,401	86,408	7,849,000	1.1
1925	172,910	46,678	19,922	18,660	85,260	7,867,000	1.1
1926	211,598	53,038	52,612	23,462	129,127	8,044,000	1.6
1927	436,204	130,033	89,997	50,998	271,028	7,182,000	3.8
1928	617,150	136,215	131,845	57,774	324,834	6,540,000	5.0
1929	410,656	129,213	199,747	50,727	379,687	6,632,000	5.7
1930	226,273	49,697	140,262	19,459	209,418	6,696,000	3.1
1931	35,570	17,797	48,965	3,494	70,256	6,807,000	1.0
1932	95,407	19,200	61,597	1,697	82,494	6,574,000	1.3
1933	63,529	9,329	103,360	970	114,159	7,283,000	1.6
1934	57,679	11,091	116,685	1,149	128,925	8,072,000 2/	1.6
1935	364,623	105,009	190,657	10,248	305,914	7,599,000 2/	4.0
1936	599,113	127,075	219,510	6,200	352,785	8,516,000	4.1
1937	494,945	153,600	220,243	6,592	380,435	7,840,000	4.9
1938 3/	424,022	130,332	196,495	3,239	330,064	7,839,000	4.2

1/ Imports for consumption; includes veal.

2/ Excludes meat from Government slaughter.

3/ Preliminary.

Compiled by Division of Information, AAA, from published B.A.E. figures.