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HOUSEKEEPERS' CHAT

Wednesday, July 28, 1937

(FOR BROADCAST USE ONLY)

Subject: "PROBABLE TRENDS IN FOOD PRICES." Information from the Bureau of Agricultural Economics and the Consumers' Counsel, Agricultural Adjustment Administration, U. S. Department of Agriculture.

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It's business news today for the homemaker. Business news about the probable future trends in prices of the raw materials that every homemaker must use in her business -- food stuffs.

Twice a month we send you a bulletin from the Federal Bureau of Agricultural Economics and the Consumers' Counsel of the Agricultural Adjustment Administration giving the best judgment of economists on the direction that food prices will take in the next few weeks. Here is the July bulletin:

"Fruit and vegetable prices in general are expected to go down during the remainder of the summer and in the fall but prices of most other items probably will go up. Egg and butter prices usually advance during the last half of the year. Reduced supplies of pork and of the better grades of beef point to further price advances for these items. However, some price declines are in prospect during the next two months for lamb, poultry and lower grade cuts of beef.

"Melons continue to hold the spot light in the food calendar during the last half of July. Ordinarily watermelon shipments reach their peak in July when the Georgia crop moves in volume. Unusual growing conditions have caused a larger than usual number of melons to be ready for July shipments and have resulted in recent sharp price declines. Under a marketing agreement only watermelons which grade U. S. No. 1 or better can be shipped in July.

"Cantaloup supplies are increasing seasonally and the harvest is now moving East. Peak in California shipments has been passed and melons are now coming from the southern states. Heaviest marketings of cantaloups and low point in prices customarily is reached in August. During this month supplies move to market by truck, reducing the shipping costs which are very high early in the season.

"Fruit and nut supplies this summer and fall, with the exception of citrus fruits, are expected to be much larger than a year ago and considerably above average. Indicated walnut and pear crops are of record size. Apple and peach production is indicated to be the largest since 1931. The grape crop is expected to be the largest since 1928. Almond production not only appears to be double last year's small supply, but also is the second heaviest on record. Apple and grape shipments reached their peak during October. Heaviest marketing of peaches and pears ordinarily occurs in August. Peach prices have not gone down as much



as usual early in the season because the early crop is smaller than a year ago. Prices probably will move down sharply when the late crop, which is much heavier than a year ago, starts to move in early August.

"Low point in butter prices appears to have been reached in June and prices most likely will go up seasonally during the remainder of 1937. Sharpest butter price increases usually occur after August. During August and September prices are expected to be lower than a year ago but they may go above 1936 prices during the last six months. Pasture conditions have been better than a year ago and butter production during the third quarter probably will be in excess of a year ago. Peak in lamb prices appears to have been reached in mid-June. Seasonal increases in lamb slaughter are expected until October at which time heaviest marketings of the year usually occur.

"Slaughter most likely will continue larger than a year ago probably through September. Ordinarily lamb prices move down to reach their season's low in October. Only slight price declines are in prospect for August.

"Hog marketings during the remainder of the summer probably will continue small and prices are expected to be well maintained or to register slight advances. During the last quarter of 1937 and the first quarter of 1938, slaughter most likely will be smaller than that a year earlier and prices higher. The small slaughter of the past few months has caused a sharp reduction in pork and lard storage holdings. Both pork and lard storage stocks continue larger than a year ago, but pork holdings have dropped to below average size. However, the relatively large size of storage stocks is tending to offset in part the price boosting effect of reduced slaughter."

And there you have your semi-monthly report on the probable future trends in prices of foods. We'll bring you another report of this sort toward the middle of August. These reports are compiled by the Consumers' Counsel of the Agricultural Adjustment Administration from information furnished by the Federal Bureau of Agricultural Economics.

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