BUSINESS STILL DROPPING

Employment down: Nearly four million people are unemployed in the United States. Many factories cut production and laid off workers.

Will it get worse? It could, or the trend might be reversed any day by a spring business pickup.

But the drop is being cushioned by several things: Over half the unemployed workers are receiving unemployment compensation. Government purchases have supported the demand for many things, including farm products. Many people still have savings. People no longer lose money in bank failures. Farm indebtedness is low.

But cushions alone do not make prosperity: We cannot have prosperity in peacetime without large spending by private business for things like new homes, new factory equipment, and new office buildings. This kind of spending has eased up in recent months. But it looks like more will come when prices and other conditions are more favorable.
POTATOES LOOK FAIRLY

It looks like potato supplies in 1949 will be smaller than last year, but not quite as small as in 1947.

**Early potatoes uncertain**: Supplies of western White Rose potatoes should be smaller this year than they were last year. The planting intentions report indicates that in early areas in California, acreage has been reduced 10 per cent. Washington growers indicated a 7 per cent reduction in acreage of all potatoes. But the California crop has been delayed. This may cause heavy competition from California again when we try to market our early crop.

**Late crop looks better**: The commercial market for late Washington potatoes should be better than last year, but not as good as it was in 1947. Last year, potato prices were at or below supports all season. The year before, prices of late Washington Gems were above supports all season and varied from about $45 a ton f.o.b., sacked and graded at digging time, to $82 in April. Here are the reasons for this fairly favorable outlook:

Two of the most important factors governing the price received for late Washington Gems are (1) the size of the total U. S. potato crop, and (2) the size of the potato crop in the western states.

**Total U. S. potato acreage in 1949** will be about 7 per cent smaller than last year, if the March 1 intentions report proves to be as reliable as in the past. Yields equal to the averages for the past 3 years probably are most likely. Such yields in each state would make a crop of 382 million bushels—slightly less than the 389 million bushels produced in 1947, when potato prices in the West were favorable.

**But the crop in the western states would be larger than in 1947**. Farmers in the western states plan to grow about the same acreage as last year. Intentions in Idaho and Oregon are up slightly, offsetting drops in Washington, California, and Colorado. Yields in the western states equal to the aver-
GOOD--ONIONS POOR

ages of the past 3 years would produce a crop about halfway between the 1947 and 1948 western potato crops in size.

The crop could be small and high in price: The North-Central states, which produce potatoes that compete with those grown in the West, plan an acreage reduction of 3 per cent. Drought and other poor growing conditions sometimes bring low yields and a short potato crop in that area. If that happens this year, western late potatoes probably will bring even higher prices than for the 1947 crop. But the chances of that happening probably are no greater than one out of four.

The crop could be big and prices low. That will happen if yields the nation over average as high as they did last year, or 212 bushels an acre. But the chances of that happening probably are no greater than one out of four. It was caused last year by unusually favorable growing and harvesting conditions in most producing areas.

Allotted acreage best: Growers would be unwise to exceed their allotted potato acreage. Complying growers are sure of a fair outlet for their No. 2's.

Support prices for the 1949 crop in Washington vary from $25 a ton for July, August, and September to $47 for March and April. This is for No. 1's and No. 2's graded and sacked.

Onion intentions up 15 per cent:

Onion growers throughout the nation probably will plant about 147 thousand acres to onions this year, according to the intentions survey. This acreage is almost 15 per cent larger than they planted last year. It is 11 per cent larger than the 1938-47 average. Only three times before—1936, 1944, and 1946—has the onion acreage been that large. In each of those years, prices to growers were unfavorable.

If the 1949 onion crop brings low prices, the 1950 crop is pretty sure to be small and high in price.
MORE MILK COMING

Milk production is up: In February it was 5 per cent larger than a year earlier for the nation and 3 per cent larger than the 1938-47 February average. Here's why: Milk production per cow was the heaviest ever for February.

Milk cow numbers were the smallest since 1931. They were down 2 per cent from last year.

In Washington they were the smallest since 1937, also 2 per cent below a year earlier.

But they will increase: In Washington, 106,000 heifer calves were on hand January 1 compared with 91,000 a year earlier. For the U. S. as a whole, the number of heifer calves was up 2 per cent compared with a year earlier.

EGG PRICES STEADY

Egg prices this year have made their seasonal drop, as they usually do. On the Seattle wholesale market, Grade A large eggs dropped from 68-70½ cents a dozen in November to 50-51 cents in late March, a fall of 28 per cent. Grade A mediums slid from a peak of 61½-62½ cents in early December to 46½-47 cents in late March, a 25 per cent drop. In 1931-40, the winter drop in prices averaged 26 per cent for all eggs on the wholesale market in Seattle.

March egg prices are usually within 1 or 2 cents of the seasonal low. There is nothing this season to show much more of a drop, unless employment and the buying power of consumers should drop more.

Government purchase of dried eggs has been heavy in the Central states in February and March. Purchases were made to keep the farm price of eggs there from falling below 35 cents a dozen. Without these government purchases, egg prices throughout the nation probably would have dropped several cents a dozen more.

HORSE NUMBERS DROP

Since 1915, the number of horses on farms has been dropping. For the nation as a whole, they are less than a third the peak number in 1915.

In Washington, they are about one-sixth the number in the World War I period.
Early Grass Cattle Sales Good

Cattle prices usually drop in the fall as the animals move off grass in volume. Next fall this price drop is likely to come earlier and be more severe than usual. This is due to the large number of hogs that will be coming to market. The demand for feeder cattle may also be weak because so many feeders lost money last winter.

On most Washington ranges, cattle are likely to lose both weight and quality after September 1. Range management studies show that this happens because the quality of the grass decreases as fall approaches.

LAMB PRICES HIGH

Record high lamb prices for this time of the year have been paid on some of the markets in recent weeks. Scarcity of lambs is the chief reason.

Lambs will be even scarcer in the coming year: The 1949 U. S. lamb crop is the smallest on record and 6 per cent smaller than last year, partly because the number of sheep is the smallest since the Civil War and partly because of bad weather at lambing time.

Lambs will be scarce for several years: Stock sheep numbers in the United States were a little less than 28 million head on January 1, 1949. This was a new low since the Civil War. It is 36 per cent below the 1938-47 average of over 43 million. Lambs will be scarce and high priced in relation to other types of livestock for several years.

Slight increase in Washington: Stock sheep numbers in Washington on January 1, 1949, were estimated at 338,000 head. This is up 2 per cent from a year earlier but down 35 per cent from the 1939-47 average.

WHEAT ACREAGE TO BE A RECORD

It looks like the United States will have 81,670,000 acres in wheat this year. This would be 4 per cent more than the previous record high, 5 per cent above last year, and 24 per cent above the 1938-47 average.

Growing conditions have been good for the winter wheat crop. Average weather from here on out would give a crop of about 1½ billion bushels. This would be about the same as the average crop of the past 3 years. These crops gave us more wheat than we used in spite of record high exports.
and sugar beets.

2. Fewer acres of feed grains, potatoes, dry beans,

1. More acres of wheat, peas, and onions.

In 1949, United States farmers plan to grow:

Most plentiful in many years.

Supplies of labor, fertilizer, and machinery are the

Viable for most crops.

Growing conditions throughout the nation look fa-

It's New ... What's Ahead