Controls Are Coming

Price controls will come gradually on farm products. At least 2 months will be needed to get the machinery set up.

Beef, veal, and lamb are about the first Washington farm products that will be brought under price control, since their prices are above parity.

Most other Washington farm products are still selling below parity prices. Under the present law, prices received by Washington farmers would have to increase by about the following percentages above late-December prices before ceilings could apply: wheat, 20 per cent; dry peas, 110; dry beans, 20; milk, 15; eggs, 30; apples, 35; hogs, 5; potatoes, 100; chickens, 35; and turkeys, 20. Some of these products may be allowed to go up more than this because of the need for more production.
Winter Wheat Crop Large

Winter wheat crop up 20 per cent for U. S.: The 1951 winter crop is estimated at 899 million bushels by the BAE, based on the condition of the crop December 1. The 1950 winter wheat crop was 751 million bushels. Acreage is up 6 per cent and the weather was better up to December 1.

Conditions, however, can change quickly: Since the estimate was made, soils have become critically dry in the Southwestern wheat belt, where one-third of our wheat crop is usually produced. Green-bugs are also a serious threat there.

Northwestern crop up 10 per cent: The 1951 winter wheat crop for Washington, Oregon, and Idaho is estimated at 97,694,000 bushels—10 per cent larger than the 1950 crop, and 27 per cent above 1949.

World wheat production near record in 1950: It is estimated at 6.4 billion bushels, the largest since 1938 except for the big 1948 crop. It is 6 per cent above the 1935-39 average and 2 per cent above 1949.

UNITED STATES WHEAT PRICES-1929-1949

Wheat prices remain well above our sale prices under the international agreement.

Wheat support prices will be higher next year. That’s because prices paid by farmers will be higher. Loan rates of around $2 per bushel are likely for eastern Washington, or about 10 cents above 1950 rates. Farmers, however, will have to pay the storage charges on their wheat next year.
Dairy Prices Improve

Strong demand has caused prices of milk to increase this fall a little more than usual at that season. The seasonal price drop this spring probably will be smaller than usual.

Costs have gone up more than returns for many dairymen. In 1951, gross returns should be up a little more than costs, but dairying still will be at a disadvantage compared with some other lines of farm production, such as meat animals. For this reason, production of milk is not likely to increase.

Feed prices have increased considerably and will continue to advance.

Milk for bottling probably can advance at least 10 per cent more before ceilings will be applied. That's because its price is still below parity.

Government stocks of butter, cheese, and dry skim milk have slowed the price advance for these items, but will have less influence in the future. The government butter stocks are down to about half of the peak level, and sales have been stopped temporarily. The cheese stocks are more than half gone, too.

Milk for manufacturing will get scarcer as consumers take more fluid milk and cream. This may bring fairly sharp advances in the prices of manufactured dairy products sometime in 1951.

FEWER HENS — LESS EGGS

Egg production for the U. S. as a whole is pretty sure to be smaller in the next few months than it was a year earlier. That's mainly because there will be fewer layers.

The number of potential layers on all U. S. farms on December 1 was 4 per cent smaller than a year earlier. Then too, the main egg-producing sections of the Midwest and East are having a more severe winter than they did last year or the year before.

Egg prices dropped sharply in late December, but at the end of the month they were still more than 15 cents per dozen higher than at the same time last year.
Apples Scarce Next Year

Better prices for the 1951 apple crop are indicated because of a smaller crop and stronger demand.

A smaller U. S. apple crop is likely in 1951. The 1950 U. S. commercial apple crop was 10 per cent smaller than the 1949 crop. But it was 10 per cent above average in size. Two large crops sometimes come in succession like this, but never in recent years have there been three large crops in succession.

Stronger demand for apples is likely next year, both from consumers in this country and abroad. Foreign apple sales, however, are not likely to become as important as they were in some years in the 1930's when they took 10 per cent of our production. Last year, about 2 per cent of the apple crop was exported and almost 75 per cent of those were moved under the government export subsidy program.

Onions and Cabbage Look Better

Prices have been very low this year for onions and cabbage. Growers usually cut acreage sharply following such a poor price year. Unless we have unusually favorable growing conditions next year, prices for both should be considerably better.
Livestock Market Strong

It's the right time of the year for livestock prices to advance: Nearly all kinds of livestock except fed cattle usually advance in price during the first 3 or 4 months of the year. Even fed-cattle prices may not sag in January and February this year as they often do. That's because of the strong demand for meat.

Beef may become unusually scarce during the coming spring: That's because many feeders are likely to finish their operations earlier than usual. If price ceilings are placed on meat in late winter or early spring, as now seems likely, that might make the spring scarcity of beef even greater. It may cause many feeders to finish off their cattle earlier than they otherwise would.

Price ceilings are likely to be placed on beef, veal, and lamb as soon as control machinery can be worked out. It seems unlikely at this time that they will be rolled back much, if any, below prices being paid in late December.

U. S. Pig Crops

<table>
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<th>MIL. HEAD</th>
<th>Spring</th>
<th>Fall</th>
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In 1951 we will raise more pigs than in any other year except 1942 and 1943.

Hog prices started advancing from their seasonal low in mid-December. Because of the strong demand for meat, hog prices are pretty sure to average higher in 1951 than they did in 1950 even though total U. S. hog production probably will be at least 5 per cent larger.
What's New . . . What's Ahead

Don't forget to pay social security taxes on your regular hired help. You must pay 3 per cent of the amount paid the worker beginning January 1, 1951. You can deduct half of this from his pay. Tax for the first 3 months is due in April. Forms and instructions can be secured from the Collector of Internal Revenue, Tacoma. Be sure to keep good records of amounts paid to workers and taxes withheld from their pay.

Farm land prices up: Between July and November of this year, U. S. farm land prices increased 4 per cent on the average, according to the BAE survey. This brought them to a new all-time high. Land prices in Washington increased 3 per cent, but were still 9 per cent below the 1948 peak.