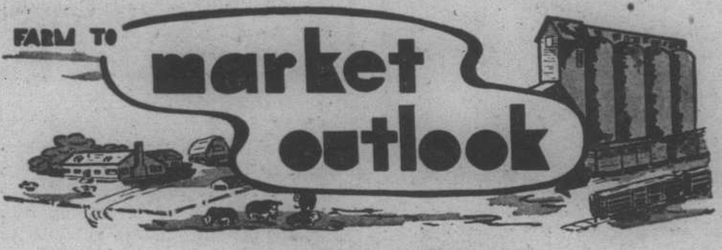

By GILBERT GUSLER

THE NATION continues to operate at close to top speed, with employment at a record level and incomes rising and running 12-15 percent over the year-ago level. Manufacturers' new orders, including those for defense goods, continue larger than a year ago. Unfilled orders are over $50,000,000,000, or more than twice those of a year ago. Hence, factories are likely to continue extremely busy.

Consumer and military demand for foods remains strong, but markets for some goods are still in a letdown from the overbuying spree of last fall and early winter when fear of further price rises and shortages led to excessive stocking up by business firms and consumers.

CATTLE—Price changes in the near future will depend importantly on what congress does in extending the defense production act. If the August and October rollbacks are outlawed, through amendments favored by congressional committees, receipts may continue light in July, but are likely to pick up substantially in August when Kansas and Oklahoma grassers usually move freely. Numbers in that area are 8-9 percent larger than last year.

If the further rollbacks are not eliminated, cattle are likely to be sold rather heavily in July to beat the price decline. Many cattle, especially in the intermediate and lower grades, still appear to be selling over the compliance level. If enforcement of the price and slaughter quota orders is improved, it will put downward pressure on prices. In any case, prices for the intermediate and lower grades probably will decline, due to increasing supplies over the next four or five months.

In spite of rollback uncertainty, stocker and feeder shipments from five leading markets have been only 10 percent lower than last year, but contracting is reported quite slow on the range. Even though prices are $2-3 lower than before the May rollback, most buyers are waiting to see if further rollbacks stand. If they do not, active contracting may start.

LAMBS—Most of the summer price break may be over already, but moderately lower levels probably will be reached on extreme breaks in the next two or three months. Sharp upturns are likely from time to time which will provide good selling opportunities. Supplies will increase substantially through the summer, but are likely to remain abnormally low, due to holding ewe lambs to expand flocks.

WOOL — Prices may soon show more stability with some increase in mill demand. Trade observers expect an increase in military orders after the start of the new fiscal year. Better demand for civilian goods may develop after present liberal stocks of wool clothing have been reduced. Any unsold domestic wools probably will be rather strongly held. But, unless military or stock pile buying becomes much larger than is now indicated, prices are likely to remain below ceilings.

WHEAT — Prices probably will reach the low point for the season somewhere from July to October, then rise gradually later in the year. The new crop movement will put prices under pressure in the next 60 days. It may be neutralized by large export sales, crop damage and placements under loan.

DAIRY PRODUCTS—A moderate price rise is probable over the next four or five months. Production is rounding the peak and will decline substantially in late summer and fall. Consumer demand is good for both fluid milk and manufactured products, and storage demand for butter and cheese is fairly good at current prices. Returns to dairymen, especially from fluid milk sales, over cost of concentrates and hay or pasture probably will continue larger than a year ago.

EGGS — Rising prices are probable over the next three or four months. Production is gradually falling. Movement into consumption continues large in spite of prices considerably higher than a year ago. Withdrawals from storage will start around July 1 to keep up with demand. Holdings of shell eggs are about 45 percent less than a year ago. Returns over feed cost will continue quite attractive. It probably will pay to hold hens until they have dropped lower in production than usual before culling.

Markets at a Glance

Demand—Consumer demand for food remains strong, but some markets still reflect overbuying last fall and winter.

Cattle—Price changes will depend greatly on whether congress eliminates rollbacks.

Hogs—Spring pig crop is 7 percent over last year; fall pig crop may be upped 3 percent.

Lambs—Most of summer break may be over, but may dip moderately lower in weak periods.

Wool—Trade expects early increase in military orders to help stabilize market.

Wheat—Export sales and placement under loan probably will largely neutralize new crop pressure.

Feed Grains—Price drop has improved feeding ratios and will encourage holding on farms.

Flaxseed—Price drop has been extreme. Market may stabilize soon.

Seeds—Price changes will hinge largely on new crop harvests.

Feedstuffs—Prices are unlikely to go up much in near future unless weather turns drouthy.

Hay—Moderately lower prices are probable as new crop offerings increase.

Dairy Products—Seasonal price rise is probable over next four or five months.

Eggs—Declining production, small storage stocks and big consumption will lead to seasonal price advance.

Poultry—Farm flocks have 8 percent more young chickens, broiler plants about one-third more, than last year.

Potatoes—Increasing commercial and homegrwon supply probably will cause steady to lower price trend.