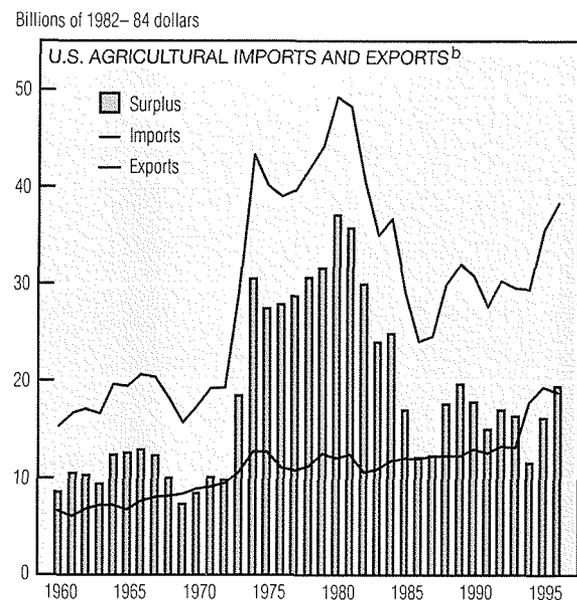
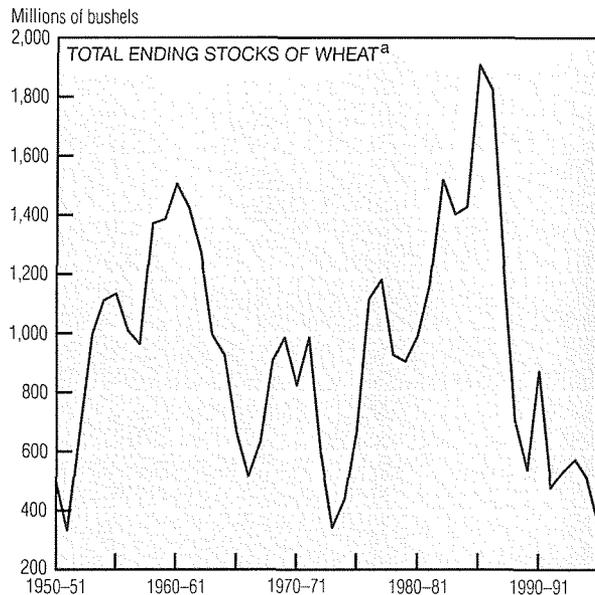
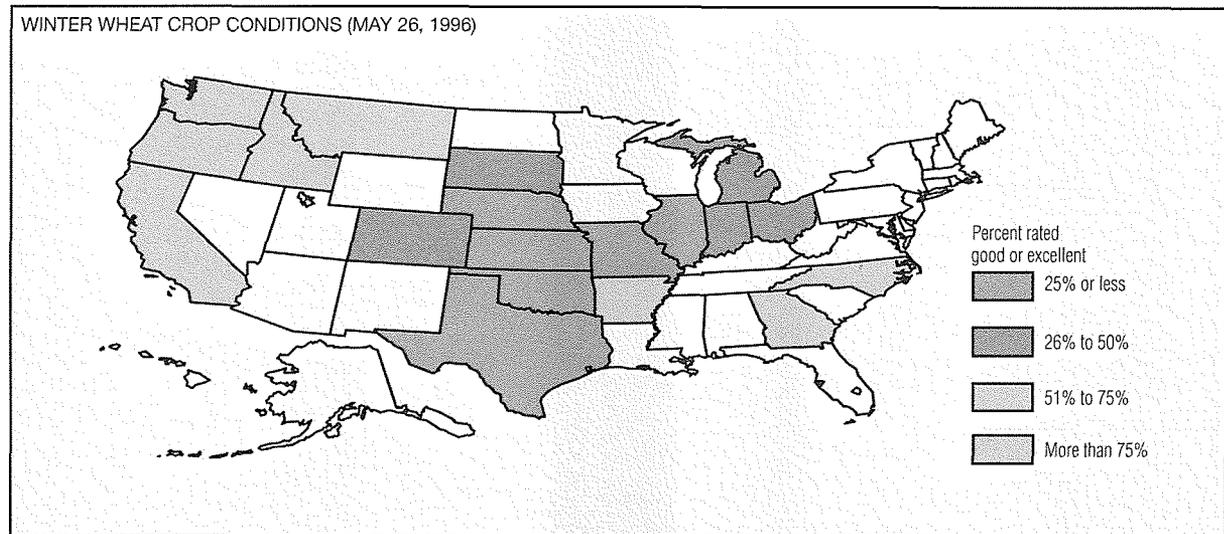


Regional Conditions



a. Based on existing stocks, not including the current season's harvest, as of June 1. The wheat crop season is June 1 to May 31.

b. Fiscal years are July 1 to June 30 for 1960-76; and October 1 to September 30 for 1977-96. 1996 figures are projections.

SOURCES: U.S. Department of Agriculture (USDA), National Agricultural Statistics Service, Economic Research Service; and Mike A. Singer, Federal Reserve Bank of Chicago, "A Banner Year for Agricultural Exports," *AgLetter* No. 1871 (December 1995).

Every week, the U.S. Department of Agriculture reports on weather conditions and crop progress. There has recently been considerable concern, in both the Fourth Federal Reserve District and other regions, about the weather's negative effects. The harsh winter damaged crops that were already planted, while rain, flooding, and persistent cold have delayed planting in a wide area.

Ohio is one of the 19 states that produced 92% of the 1995 winter

wheat crop and is the largest producer of soft red winter wheat. As of May 26, only 32% of Ohio's crop was rated good or excellent, compared to 81% last year. For the other major producers of winter wheat, acreage with crop ratings of good or excellent ranged from only 6% in Texas to 96% in Oregon (versus last year's 23% and 52%, respectively).

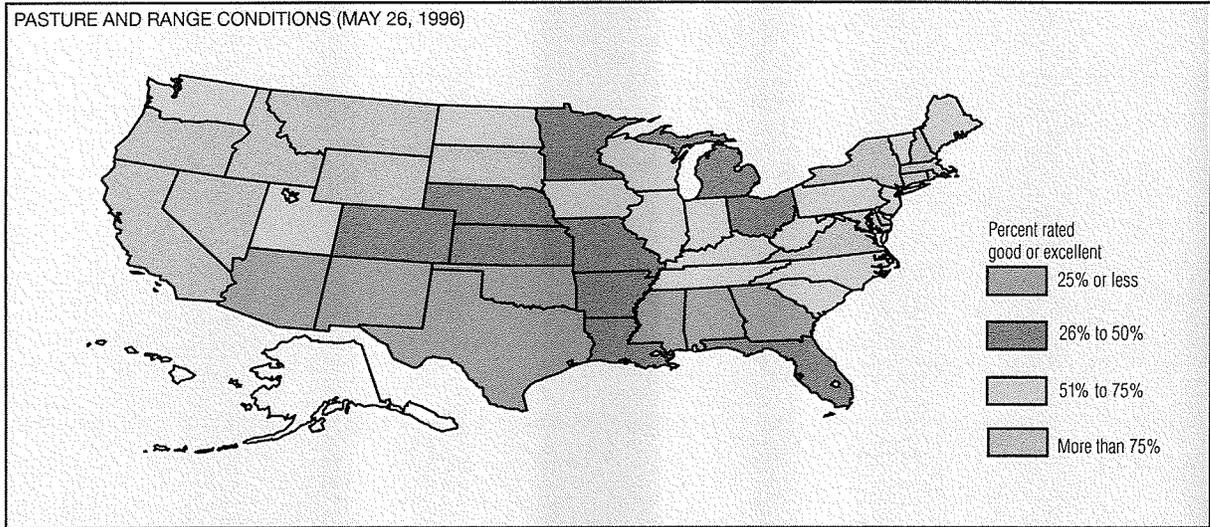
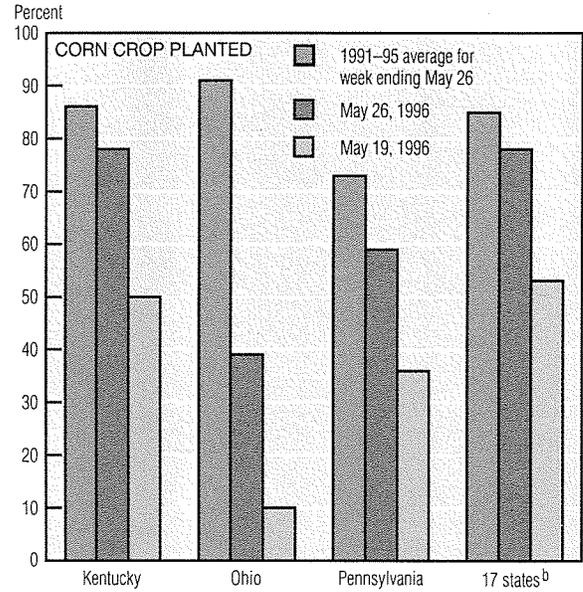
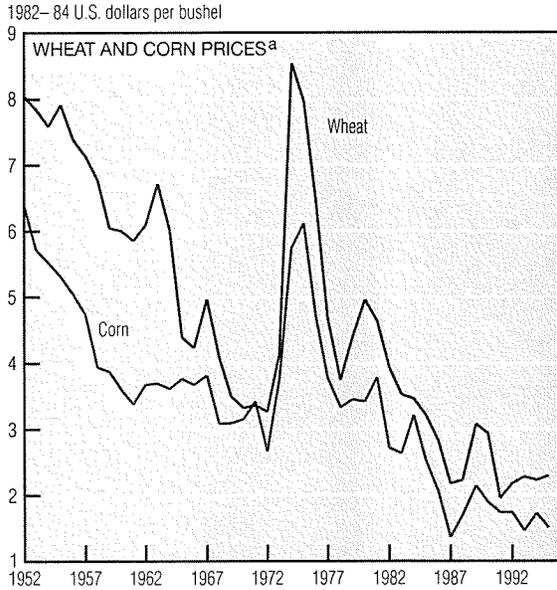
Wheat can be stored from season to season, offsetting temporary setbacks. However, wheat stocks nationwide are at their lowest levels

since 1973-74 and are only slightly higher than the previous lows of 1950-51. This dearth results from the smaller harvests of the past five years and the increased demand for grain in Asia, and to a lesser extent in Africa and western Europe.

The Department of Agriculture's most recent forecast for 1996 shows exports rising \$5.9 billion over their 1995 level and imports remaining about the same as before. The

(continued on next page)

Regional Conditions (cont.)



a. For wheat prices, the year begins June 1 and ends May 31. For corn prices, the year begins September 1 and ends August 31.
 b. These 17 states accounted for 91% of the 1995 corn crop.
 SOURCES: U.S. Department of Agriculture; National Agricultural Statistics Service; and Agricultural Statistics Board.

recent gain in export prices, associated with the tight supply of commodities like wheat, is expected to offset the decline in export volume. While real grain prices are at a historic low, production cost has also declined, making grain a relatively important source of farm income.

Farmers in many states are also far behind schedule in corn planting, threatening fall crop yields. Ohio is one of 17 major corn-producing

states. Corn, along with pasture and range conditions, is vitally important to the state's large dairy industry.

In a typical year, Ohio farmers plant 91% of their corn crop by May 26. This year, they have been able to plant only 39%, putting this state last among the major corn producers. Georgia and North Carolina have planted 99% of their crop, while in Michigan only 49% of the crop has been planted, compared to 84% in a

normal year. However, the corn outlook has brightened somewhat with the recent improvement in weather conditions.

Pasturage is another food source for livestock. In Ohio, 50% of pasturage is rated good or excellent, compared to 76% last year. In the 48 contiguous states, 49% of pasturage was rated good or excellent, versus 71% last year.