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January 29, 1954



SOYBEAN PRICE SUPPORTS have been lowered to 80 per cent of parity for the 1954 crop. This will provide a national average support price of \$2.22 per bushel. The 1953 bean crop was supported at \$2.56 per bushel.

The lower support level is designed to discourage large-scale soybean plantings on the acreage diverted from corn, cotton, wheat, tobacco, and peanuts—all of which are under acreage allotments this year. However, even with the lower price support, soybeans are one of the most attractive crops available for the use of diverted acres. Consequently, a large increase in bean acreage still is indicated.

CATTLE ON FEED last January 1 were 9 per cent fewer in number than a year earlier, according to USDA. The stock also averaged lighter in weight, with calves forming a larger percentage of the total.

This reinforces previous indications that marketings of high-quality fed cattle will be smaller in the first half of this year than was the case in 1953. If demand remains the same, this means that fat cattle prices will remain above their low point of last year, at least until mid-1954.

However, shipments of stocker and feeder cattle into the Midwest during December were 9 per cent larger than a year earlier. Previously, feeder cattle shipments into the Corn Belt had lagged behind year-earlier numbers.

It is expected that cattle marketings in 1954 will slightly exceed the 1953 slaughter. However, a larger proportion of this year's marketings will be of the lower grades, and the largest volume of this type of cattle usually appears on the market in the fall. Moreover, the larger number of cattle that went on feed last month could mean a bulge in fat cattle marketings next fall.

All of which adds up to relatively favorable cattle prices in the first half of this year but some pressure on the market in the last half, especially if demand should weaken.

The hog market also looks good, for the first six months of 1954 at least. Farmers raised 9 per cent fewer fall pigs than a year earlier, and these will come on the market in the first half of this year. Some analysts expect hog prices to hit 30 cents a pound before July. However, the 1954 spring pig crop (which will be marketed in the fall and winter) is expected to equal or exceed the 1953 spring crop. So the relative supply of market hogs probably will increase next fall. Since larger cattle marketings are likely at the same time, the supply of meat should be larger than in the last half of 1953. The seasonal decline in hog prices next fall probably will exceed normal.

Number 233

CONTINUATION OF DAIRY SUPPORTS at 90 per cent of parity seems doubtful. Testifying before the Senate Agriculture Committee, Secretary Benson said, "I doubt very much" that the Government would be justified in continuing the present support level. The Secretary cited the huge and rapidly mounting Government stocks of butter and cheese as the reason for his concern. The dairy support level must be announced before April 1. The law permits support anywhere between 75 and 90 per cent of parity. The level of support and methods of disposing of present stocks will be the deciding factors affecting dairy prices this year.

Milk production continues to increase. Production in December was the largest of record for that month by a considerable margin. Production per cow on January 1 reached an all-time high for that date, with mild weather and liberal feeding contributing. In addition, the number of dairy cows is larger than last year, partly because of the decline in beef cattle prices.

Milk Production  
(million pounds)

	1952	1953	Per cent change
October	8,664	8,779	+1
November	7,891	8,225	+5
December	8,389	8,791	+5
Total for year	115,100	120,200	+4

EGG PRICES have declined seasonally but much less than usual. In mid-January, prices were nearly the same as a year earlier despite larger egg production. The demand for eggs has been unusually good.

Egg Production  
(millions)

	1952	1953	Per cent change
October	4,371	4,614	+6
November	4,480	4,803	+7
December	5,037	5,267	+5
Total for year	61,016	61,962	+2

Laying flocks on farms probably will be expanded this year. Early season hatchery activity has been ahead of last year.

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