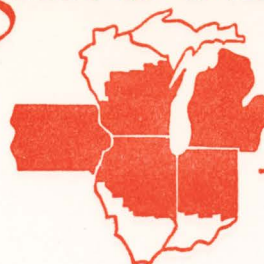


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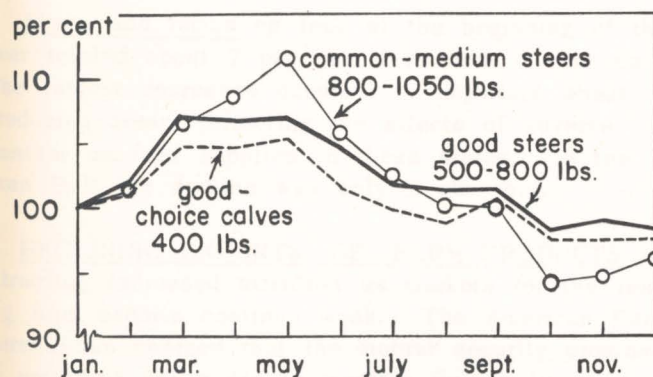


WEAKNESS IN FARM PRODUCT PRICES reflects the record volume of production in 1952 and a continued slackening of export demand. Industrial production also is running at a postwar high, with the result that the overall supply of commodities is very large. Demand for goods and services, at a record level in recent months, has resulted in little change in wholesale prices generally, although farm products have continued downward.

Exports of farm products in October totaled 264 million dollars, 25 per cent less than a year earlier. Shipments during the July-September quarter were off 31 per cent from the year-ago period. Wheat, cotton, and tobacco, as usual, accounted for the major portions of U. S. agricultural exports.

LIVESTOCK MARKETS have shown a little seasonal strength recently. Feeder cattle prices usually experience a strong spring rise. In view of their substantial decline in the past year, many market observers expect an earlier and larger spring rise than usual as growers who reduced herds last fall seek cattle for grazing this spring and summer.

Feeder cattle prices at Kansas City were running nearly 30 per cent under a year earlier at year end. Feeder steers averaged \$20.71 a cwt., compared with \$28.90 in the closing days of 1951. Calves averaged \$21.75, compared with \$30.78. Average seasonal price changes at Kansas City in 1936-42 are indicated in the chart.



Feeder shipments into Corn Belt states have continued to run well above the preceding year. November receipts were up 31 per cent and receipts for the July-November period up 45 per cent from the corresponding 1951 periods.

Slaughter steer prices meanwhile have recorded nominal declines for the top grades, but very substantial declines for the lower grades. The distribution by grade and average prices of steers sold at Chicago in December follow:

Grades	1952		1951	
	Per cent	Av. price	Per cent	Av. price
Prime	10.8	\$34.84	25.7	\$36.71
Choice	47.8	30.86	51.6	34.78
Good	26.1	26.10	15.1	32.43
Commercial	12.0	21.62	6.1	29.72
Utility	3.3	17.77	1.5	26.62
All grades	100.0	\$28.77	100.0	\$34.59

The price changes, of course, reflect the changing make-up of the slaughter cattle supply.

PRODUCTION GOALS for the leading crops have been announced for 1953. The goals reach for another year of very large production. However, the major controlling factor in plantings, except for tobacco and peanuts which are under acreage allotments, will be farmers' price expectations and weather conditions at planting time. The major value of the production goals is to suggest to farmers in a rather specific manner that the USDA believes there will be ready markets for a continued large output of farm products. Acreage goals for corn, oats, grain sorghums, and tame hay are boosted nominally from 1952, whereas those for soybeans, flaxseed, and cotton are reduced.

FEED SHORTAGES in drouth areas are complicated currently by inadequate hay supplies for inshipment. Midwest areas which had been providing hay for the feed deficit regions have released about all the top quality hay they are willing to dispose of at this time. Shipments, therefore, have started to shift to the lower grades of hay. There is a growing clamor in some areas for a substitution of corn for hay in the Government's feed relief program. It is argued that feed nutrients can be provided more cheaply to the deficit areas in corn than in hay. Also, there is an abundance of corn in the Midwest.

If you failed to have a "popping good" Christmas and New Year's season, it was through no fault of the popcorn growers. The 11 commercial producing states turned out 253 million pounds of the explosive item in 1952, 23 per cent more than in the preceding year and 18 per cent above the 10-year average production.

Ernest T. Baughman --- Agricultural Economist