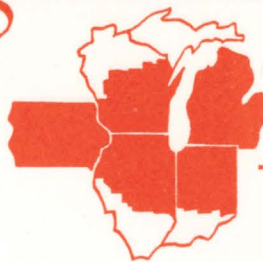


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Agricultural Letter



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DROUTH-STRICKEN AREAS of Texas and Oklahoma have been declared "major disaster areas" by President Eisenhower. This week he announced that 8 million dollars of emergency relief funds would be made available to the 200 counties that are hardest hit.

Government-owned feed will be sold to livestock men at reduced prices, and part of the 8 million dollars will be used to make up the resulting loss to the Commodity Credit Corporation. The Government also plans to expand its program of buying meat for foreign distribution. Texas Congressmen have urged that the Government buy 2 to 4 million cows and have them slaughtered. The meat would be canned and either stored or distributed in that form.

Twelve senators have introduced a drouth disaster relief act which would authorize Government loans to stockmen. Witnesses before the House Agriculture Committee have testified that 90 to 95 per cent of the livestock operators in the drouth area would be unable to repay their bank loans on cattle if those loans were called at present.

CATTLE NUMBERS in the dry Southwest are slightly below their 1944 level, whereas for the country as a whole there has been an increase of 10 per cent since 1944. (The peak in the previous cycle in cattle numbers occurred at the end of 1944.) So the drouth region is not responsible for the presently large national herd of cattle.

As is shown in the chart below, a 22 per cent increase in cattle numbers occurred in the Southeast and in the region north of the dry states. The Pacific Coast states, and a belt of states stretching eastward from Iowa, had increases approximately equal to the national average. On the other hand, the region extending from North Dakota eastward to New England exhibited a small decline in numbers.

PROPOSED FARM CREDIT CHANGES moved a step nearer realization last week. The House Agriculture Committee approved a bill providing for reorganization of the Farm Credit Administration under a 13-man Farm Credit Board. The measure is designed to bring about a greater degree of decentralization and to make possible eventual ownership of cooperative farm credit facilities by farmers through the retirement of Government capital and a greater farmer participation in the management of the system.

L. John Kutish -- Agricultural Economist

Cattle Numbers By Regions

