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LONG-RANGE PROGRAM PRO- POSED BY SECRETARY OF AGRICULTURE

A statement by Secretary of Agriculture Anderson at the opening of hearings by the House Committee on Agriculture regarding long-range agricultural policy and programs throws considerable light on what course agricultural planning may take in the years immediately ahead. The policy should be directed toward "organized, sustained, and realistic abundance," Mr. Anderson said, adding that an appraisal of our need for various farm products indicates that more emphasis should be placed on livestock farming, with more land in pasture and hay, less in small grains, potatoes, and beans, but about the same as at present in feed grain acreage. There should be less land in soybeans than we had last year, but more in truck crops, more in cotton, and more in orchards.

Mr. Anderson outlined several types of programs which he believed should be included in a long-range farm policy aimed at maintaining a balance between the demand for agricultural commodities and their production. Some of these programs are: (1) The gearing of agriculture to developments in other segments of the economy so that a general high level of income and employment may be maintained; (2) stabilization of agricultural prices at levels fair to both producers and consumers, without creating a rigid system that might price farm commodities out of the market and prevent needed adjustments in agriculture; (3) continued soil conservation and improvement; (4) a program to improve the living conditions of farm people by providing better roads and more adequate medical and educational

facilities; (5) a plan of research to improve the techniques of production and marketing and to expand the outlets for farm products; (6) a floor under consumption of farm products to insure "that none of us go hungry and that no production is wasted"; (7) establishment of a surplus-distribution system to prevent waste and counteract the peaks in supply, through such devices as ever-normal granary storage loans and marketing agreements to aid in orderly marketing, international arrangements providing for storage and sales to needy countries at special rates, and achievement of regular, sizable foreign markets for our agricultural products through international collaboration to reduce trade barriers to the extent consistent with sound national economic policy; (8) "farm business aids and safeguards," including crop insurance, rural electrification, aids to cooperatives, and the extension of farm credit.

In closing, Mr. Anderson stated that all the plans which he outlined should be available at all times even though certain ones would not be used very often. He pointed out that "we should have a farm program that would effectuate our policy in times when the free play of economic forces gives us prosperity and also when the business cycle turns downward."

THE COTTON SITUATION

The high rate of domestic cotton consumption, the small 1946 crop, and the large volume of exports during the current season are expected to result in an American carry-over of cotton of only three million bales on August 1, 1947, the smallest in 18 years. Foreign mill consumption has fallen below the level anticipated earlier, but total consumption during the current season is expected to exceed sub-

stantially the 1945-46 rate. The world carry-over of all cotton, therefore, is expected to fall to about 16 million bales, far below that of last year and well below the prewar average.

The United States Department of Agriculture attributed the recent high rate of consumption in the United States, a peacetime record, primarily to depleted inventories of cotton goods, high levels of industrial activity and incomes, and large cotton textile exports. It expects the first of these factors to have much less effect in 1947 as inventories have been rebuilt and consumers have shifted their expenditures to other items; nevertheless, domestic demand and mill consumption are expected to continue above prewar levels. Exports of cotton goods are also expected to be less important in the months ahead as foreign mills return to prewar production schedules and reduce the demand for American goods. Lack of exchange and shortages of electricity and coal in several countries are retarding exports of cotton and cotton textiles at the present time and are expected to continue as limiting factors for several months. On the other hand, the cotton industry and the United States Government are now at work on a plan whereby further shipments of raw cotton can be made to Germany, and the industry hopes that a similar plan will be worked out in regard to shipments to Japan.

The sharp reduction in both domestic and world stocks has been an important factor in sustaining cotton prices. The small anticipated carry-over, combined with the prospects of relatively strong domestic and foreign demand in the coming year, is expected to sustain cotton prices at profitable levels and to bolster the Government's efforts to attain the 1947 goal of 23 million planted acres. Prospects of attaining this goal have been diminished somewhat by unfavorable spring weather which has delayed planting and retarded the growth of the crop.

There are, however, several encouraging developments in regard to the cotton production picture. The farm machinery and repair situation is slightly improved this year. New machinery and repair parts are being received in

larger volume. A slight increase in the supply of labor is reported throughout the Cotton Belt, and it is expected to be of higher quality than was obtainable during the past several years. Wage rates in the South are substantially higher than a year ago but, contrary to the usual seasonal trend, have declined slightly since the first of the year. A record quantity of fertilizer is available to farmers this year, and it is expected that they will use a somewhat larger quantity than last year and more than twice the prewar average. The Department of Agriculture points out, however, that demand has increased more rapidly than supply, and some farmers may not be able to secure the quantities or kinds of fertilizer they desire. The unfavorable weather which has retarded the crop this season is expected to reduce early activity of boll weevils and of some other cotton insects. Supplies of insecticides generally are expected to be plentiful this season, but some types may be scarce in certain areas.

FARM PRICES

Real Estate Prices and Sales

Farm real estate prices continued their upward movement throughout the year ending March 1, 1947. On that date, according to indexes of the Bureau of Agricultural Economics, agricultural land prices in the Eleventh Federal Reserve District reached a level 78 per cent above the prewar (1935-39) average and only two per cent below the record high reached in 1920. This compares with a figure for the nation as a whole 92 per cent above the 1935-39 average and only six per cent below the 1920 peak.

Land prices in each of the five states, except Texas, lying wholly or partly in this district are now higher than in 1920. New Mexico leads the states of this area in percentage increase, when March 1947 values are compared with either the previous high in 1920 or the 1935-39 average. Texas, on the other hand, showed a smaller increase than the other four states over the 1935-39 average and fell below the post-World War I peak. The March 1 estimates showed the following percentage in-

creases over averages for 1935-39: New Mexico, 107; Arizona and Louisiana, 86; Oklahoma, 85; and Texas, 73.

Data collected by the United States Department of Agriculture on recorded transfers of farm lands in selected counties scattered throughout the country indicate that the volume of sales during 1946 was about 12 per cent greater than for 1945, and that resales comprised about one-seventh of all transfers. This marked the fourth consecutive year in which the volume of sales has exceeded by 75 per cent or more the pre-World War II average. The proportion of buyers paying all cash continues at more than one-half. Commercial banks have become more important as sources of credit to finance farm purchases, whereas the importance of Federal lending agencies has diminished. Commercial banks supplied the loans in 27 per cent of the credit purchases in 1946, compared with 16 per cent in 1943.

The Department of Agriculture attributes the continuing sharp increases in farm real estate prices and volume of transfers to the operation of strong inflationary forces based upon new record prices for farm commodities in 1946 and favorable agricultural prospects for 1947. Large accumulation of liquid funds by farmers and a plentiful supply of easy credit also have been significant factors. The Department noted, however, that land values have levelled off recently in the far western states, and suggested that this may be an early indication that buyers have realized that the number of high income years remaining may be limited and that increased resistance to higher land prices may be expected.

Price Support Announced for 1947 Peanut Crop

The farm price of the 1947 peanut crop will be supported at 90 per cent of parity as of July 15, 1947, according to an announcement of the United States Department of Agriculture. If the April 15 parity price of 11 cents per pound should remain unchanged until July 15, the support price would be about 10 cents compared with a current market value of about 10½ cents. Support will be in the form of

Commodity Credit Corporation loans and purchases. Purchase and loan values by type and quality will be announced later. Loans will be made to producers until January 31, 1948, and purchases will be made from producers until June 30, 1948. It is expected that any purchases in this area will be made for the CCC through peanut grower cooperative associations located at Gorman, Texas.

COMMODITY NOTES

Cotton Loans

All 1946 crop-loan cotton still under loan on August 1, 1947, will be pooled for producers' accounts by the Commodity Credit Corporation. The loans mature on July 31. Prior to that date, producers may either sell their equities or redeem the cotton and sell it in the open market. They are urged to give serious consideration to marketing the loan cotton before it is placed in pools, because at present market prices they should be able to dispose of the cotton at substantial profits above the loans and charges against it. Through April 12, 1947, the CCC had received 55,034 notes covering 124,605 bales of 1946 crop.

Feed Grains

The combined national carry-over of corn, oats, and barley in all positions in 1947 will probably be about 50 per cent larger than the 10.9 million tons in 1946, according to a recent report of the United States Department of Agriculture. Stocks of corn next October 1 are expected to be more than double the 173 million bushels of the same date in 1946, while the carry-over of oats and barley at the beginning of the new small-grain year on July 1 will be about equal to or slightly less than that of last year. The combined stocks of these grains in the United States in all positions on April 1 this year were 16 per cent larger than a year earlier and about equal to the 1941-45 average. Because of increased supplies of grain and reduced livestock numbers, however, stocks of feed grains on farms per animal unit were about 25 per cent larger than a year earlier.

Stocks of corn on farms and in terminal markets on April 1 in Texas, Oklahoma, New Mexico, and Arizona were larger and in Louisiana smaller than a year earlier, but in all these states fell considerably below average. Stocks of oats in the five states were less than those of a year ago as well as below average.

The Department of Agriculture expects feed grain prices to average lower this summer than they did after the lapse of controls on grain prices in the summer of 1946, but it is anticipated that a very strong domestic and foreign demand will continue to support prices to some extent throughout the current summer. The Department believes that corn prices will be bolstered in 1947-48 by continued strong foreign demand. It is pointed out, however, that even if general demand for farm products weakens, corn prices would be supported at a fairly high level. It is thought probable that the parity price on corn next September, which will determine the 1947 loan rate, may be higher than in the fall of 1946, when a loan rate of \$1.15 per bushel prevailed.

TECHNOLOGICAL DEVELOPMENTS

2. 4-D Harmful to Vegetables

While 2, 4-D has been hailed as an excellent weed killer, it is also a destroyer of tomatoes, beans, peas, and other vegetables usually grown in the home garden, according to an announcement of the New Mexico Extension Service. Vegetables may be damaged seriously if the 2, 4-D spray is permitted to blow on them when weeds are being treated with the chemical. Also, where the same sprayer is used for the lawn and the garden, the residue of the 2, 4-D may damage the vegetables unless the equipment is cleaned thoroughly after using the weed killer. The sprayer can be cleaned by use of about two teaspoons of household ammonia to a gallon of warm water.

ANNOUNCEMENTS

An auction sale of registered brahma cattle will be held at the Fair Grounds in Beaumont,

May 17, at 12:00 noon. There will be a barbecue in conjunction with the sale.

A soil conservation meeting will be held May 22 at the Toddie Lee Wynne Ranch, about 2½ miles west of Kaufman on Highway 175. The program runs from 10:00 a. m. to 4:00 p. m., with a noon intermission during which barbecue will be served.

The Annual Field Day at Experiment Station No. 6 at Denton, Texas, May 23, will feature small grains, legumes, and grasses.

Texas A. and M. College will offer a poultry short course, May 2-21. The course will give special attention to selection and blood-testing of chickens and turkeys.

RECENT PUBLICATIONS

Texas Agricultural Experiment Station, Texas Agricultural and Mechanical College, College Station:

Factors Affecting the Performance of Mechanical Cotton Harvesters (Stripper Type), Extractors, and Cleaners, Bulletin No. 686, by H. P. Smith and others.

Tomato Diseases in Texas, Circular No. 113, by P. A. Young.

Some Oil Seed Crops in Texas, Progress Report 1066, by E. B. Reynolds.

Spring Tomatoes in the Lower Rio Grande Valley, Progress Report 1068, by W. H. Friend.

Hubam Clover as a Cash and Soil-Improving Crop for the Wichita Valley, Progress Report 1069, by L. E. Brooks.

Control of Citrus Pests in the Lower Rio Grande Valley, Progress Report 1073, by W. H. Friend.

Fertilizer Studies With Sweet Potatoes, Progress Report 1074, by Ralph Michael.

Copies of these bulletins may be secured by request to the publisher.