DEMAND FOR AMERICAN COTTON IN THE YEARS AHEAD

One of the most vital topics considered by the Cotton Research Congress at its recent session in Dallas was the future demand for American cotton. The general topic was considered by two speakers who discussed, respectively, the domestic and the foreign demand. Speaking on "The Competitive Position of Cotton on the Domestic Market," Mr. M. K. Horne, Director of Utilization Research, National Cotton Council of America, reported conclusions drawn from an extensive study of possible domestic demand for cotton by 1950. In this study consideration was given to the various end uses of cotton, and estimates were made as to the quantities of domestic cotton that would be required for these uses. On the assumption that there would be no change in the relative technical positions of cotton and the synthetic fibers by 1950, that there would be at least moderate prosperity in the economy of the nation, and that cotton and other materials would have the same price relationships as in 1946, it was concluded that the over-all domestic demand for cotton in 1950 would be about 7,700,000 bales—only 100,000 bales above the domestic consumption in 1939, and 20 per cent below the high demand of 1946.

A breakdown of this estimate shows that for some uses an increase in demand is expected, while for others a decline is anticipated. For example, it was thought that the demand for cotton for use in making bags, sheets, towels, cordage, and twine, electrical insulation, plastic laminates, and thermal insulation would increase. On the other hand, it was estimated that the demand for such uses as the manufacture of tire cord, draperies, upholstery, tapestries, women's underwear, women's hosiery, and other products would decrease. It was expected that such factors as the superiority of cotton over some of its competitors in launderability and durability, an increase in population in this country, and favorable economic conditions would help to maintain the domestic demand for cotton in 1950, so that the actual amount consumed would be near the 1939 level. However, some of the projected market expansion which goes with a strong and growing economy may be forfeited to paper, synthetic fibers, and other materials. It was believed, therefore, that the share of the total textile fiber market supplied by cotton might decline from the ratio of 55 per cent attained in 1939 to 45 per cent by 1950.

Mr. Horne pointed out that the extensive and disproportionately large research programs under way devoted to the improvement of cotton's competitors may further strengthen the position of these commodities and seriously endanger the security of cotton in textile markets in the years ahead. These research programs are aimed at enabling competitive fibers to match cotton in launderability, durability, and other quality advantages on which cotton depends for its markets. Paper and synthetic fibers have made great strides in expanding their market through research, and they can with good reason be expected to make further progress.

While the conclusions of the study discussed by Mr. Horne may forecast with some accuracy the range of domestic demand in the years ahead, it is not possible to estimate the future volume of foreign demand. It is possible, however, to note certain factors which undoubtedly will have great influence in determining the foreign demand. Some of these factors were discussed by Mr. Sydnor...
Oden, Vice President, Anderson, Clayton & Company, Houston, in an address on "Export Markets for United States Grown Cotton." He pointed out that, in spite of the great over-all destruction in Europe and the Far East caused by the war, the total damage to the textile plants in those areas, other than Japan, was relatively light. There is, therefore, textile machinery in place outside the United States which can consume a very sizable amount of cotton. In addition, the world is in need of cotton goods, and the owners and operators of the foreign spindles are anxious to get cotton to supply their mills. How much of this supply will be drawn from the United States depends in part upon the ability of American producers to meet the competition of other cotton-producing countries for these export markets.

Credits by some American exporters of cotton to their prewar customers, cotton shipments under special arrangements to Germany and Japan, and self-liquidating loans granted by the Export-Import Bank to such countries as Italy, Czechoslovakia, Finland, and China for the purchase of United States grown cotton are factors which Mr. Oden regards as being of great help in reestablishing export markets for American cotton. They have also helped in starting the countries to whom such aid has been given on the road to industrial recovery. In extending help to foreign mills we have not only moved a substantial part of our old stock of cotton, but we have also been supplying potential future customers and giving foreign spinners the opportunity again to become accustomed to our cotton.

According to Mr. Oden, another factor which will continue to encourage foreign demand is the superiority of American cotton for certain uses. Spinners outside the United States generally prefer American cotton to any similar growth. American cotton producers may profit by this advantage in the future provided they can continue to supply at competitive prices the quality, grade, and staple which the individual spinners of the world require. Although foreign spinners may be willing to pay a reasonable premium for American cotton when some other growth is available, the speaker pointed out that the price of American cotton must be kept in competitive relationship with foreign prices so as to avoid loss of markets because of unreasonable differences in prices.

Mr. Oden emphasized the dependence of the cotton export program upon the supply of dollars available to foreign countries for the purchase of American cotton. The availability of American dollars to foreign buyers over a long period will depend largely on the willingness of American business and consumers to purchase foreign goods and services. Moreover, American cotton producers will be competing with manufacturers and suppliers of other commodities for every dollar that becomes available to foreign cotton-consuming countries. Fortunately, cotton is high on the list of necessary raw materials in many countries of the world where textile industries are important for both political and economic reasons.

To sum up, it was the opinion of these and other speakers at the Cotton Research Congress that there is a more hopeful outlook for cotton at present than there has been in many years. There was general agreement, however, that the continuation of this promising outlook will depend upon sound and far-reaching general trade policies, such as the extension of reciprocal trade agreements and the establishment of a workable international trade organization, and upon a research program for cotton in the years ahead aimed at increasing the efficiency of production and marketing and at expanding the consumer demand for cotton products.

FARM MANAGEMENT

More Rural Families to Get Electricity

Data released by the Department of Agriculture show that approximately 73,500 farm families and other rural consumers in the five states lying wholly or partly within the Eleventh Federal Reserve District will get electric service as a result of loans approved by the Rural Electrification Administration during the fiscal year ended June 30, 1947. The 1947 funds allocated to these five states, amounting to $40,097,286, will
enable the borrowers, most of them locally owned and operated rural electric cooperatives, to build over 28,000 miles of new power lines and to increase the capacity of some of the systems already built in response to a continued upward trend in power consumption on rural lines during the year.

The REA reported that, despite the fact that more loans have been made in the nation in the last two years than in the previous 10 years of the program, the backlog of applications as of June 30, 1947, far exceeded those of a year earlier. The backlog of applications in the five states of the Eleventh District amounted to almost $40,000,000.

**Prices at Ram Sale Related to Wool Staple Length**

At the Tenth Annual Ram Sale held recently in Albuquerque, New Mexico, buyers' prices varied in direct proportion to the certified wool staple length of the rams on the auction block, according to Mr. Ivan Watson, state extension animal husbandman and manager of the sale. On the average, rams of fine wool breeds averaging 3 1/2 inches or more in staple length (on a 12-month basis) brought $92; those averaging 3 1/4 inches in staple length brought $65; while those averaging 2 7/8 inches in staple length sold for only $52. Mr. Watson pointed out that every one-third additional inch of staple length was worth $20 to the grower.

**FARM PRICES**

**Government Price-Support Programs**

The United States Department of Agriculture recently announced that its price-support program for chickens and turkeys, originally scheduled to begin October 1, would start the first of September. Change in the starting date was made in view of present high feed prices, which were expected to cause many producers to market their poultry earlier than usual. Purchases of chickens and turkeys of the 1947 crops will be limited to the period September 1947 through January 1948, and purchases of the 1948 crops, to the period September 1948 through December 1948. Purchase prices will be announced from time to time by the Department and will reflect national average prices representing at least 90 per cent of the August 15 parity prices.

Under the 1947 American-Egyptian Cotton Loan Program the loan rate for basic quality cotton (grade No. 2, 1 1/2 inches) will be $6.60 cents per pound, net weight, in the Arizona area, and $6.85 cents per pound, net weight, in the New Mexico-West Texas area. Loans will be made on warehouse-stored cotton on a note-and-loan agreement basis, with warehouse receipts as collateral. Loans will be available until April 30, 1948, to producers through approved banks and other lending agencies or directly from the Commodity Credit Corporation. The loans will mature July 31, 1948, but will be callable on demand.

Under the sweet potato price-support program effective from September 1, 1947, to April 30, 1948, provision is made for support, if needed, through government purchases or by diversion to other than normal channels, including industrial or livestock feed outlets. Unlike the programs of the last three years, commodity loans are not being used as a method of support nor are loans available. Purchases will be made from growers, their authorized agents, or dealers licensed under the Perishable Agricultural Commodities Act who are certified as having agreed to pay growers not less than the applicable support prices for all sweet potatoes purchased.

**TECHNOLOGICAL DEVELOPMENTS**

**New Chemical Helpful in Storing Potatoes**

A new chemical known technically as a methyl ester of naphthalene acetic acid has been found useful in keeping potatoes fresh and free of sprouts while in storage. Potatoes, after they have been stored in a warm place for awhile, will ordinarily begin to sprout and in a short time be of very little use for eating. This new chemical makes it possible for a grower to keep his potatoes in good condition until he is able to market them. It is helpful to dealers also because it will
keep potatoes for as long as a year after they have been harvested. The chemical, which will be known by several trade names, will be sold in liquid, dust, or confetti forms. It can be sprayed, painted, or dusted on potatoes. Experiments indicate that best results are obtained from the treatment if potatoes are left in the ground until mature, as new or immature potatoes are injured to some extent by application of the chemical.

Developments in the Use of 2,4-D

Although 2, 4-D has not performed the miraculous feats of weed-killing predicted for it by its early proponents, it has accomplished much and still appears to be the most promising weed killer yet developed. Several types of 2, 4-D compounds are produced, and it may be secured in liquid or dust form. It has been used rather extensively during the last year or two, and it is now possible to point out several important factors which should be considered when applying it. The stage of growth of the plant at the time of the treatment is one of the most important factors influencing the effectiveness of the treatment. This proper stage is not the same for all plants, and much more information is needed on the subject. In general, however, applications of 2, 4-D should be made when the weeds are in their most active growing stage, possibly from prebud to early bloom. Temperature seems to be relatively unimportant, although the action of the solution may be retarded in temperatures below 70 degrees Fahrenheit. The present tendency is to increase the concentration of the solution and to reduce the amount applied, thus effecting a considerable saving in time and labor. It is important to consider also the proximity of susceptible crops when applying 2, 4-D to a given field. Experiments by the Department of Agriculture and by chemical manufacturers have shown that the dust cannot be controlled but tends to drift considerable distances, endangering crops for which it was not intended. According to the Department, there is less likelihood that the herbicide will drift to other fields if it is applied as a spray.