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THE FEED SUPPLY AND PRICE SITUATION

Another year of abundant supplies of feed grains and most by-product feeds, such as millfeeds and oilseed cakes and meals, is in prospect for the Nation's livestock and poultry producers. The total national supply of all feed concentrates for the 1949-50 season, including feed grains, by-product feeds, and an allowance for wheat and rye feeding, is estimated at 181,000,000 tons, about 7 percent larger than the 1948-49 supply, according to *The Feed Situation*, published by the United States Department of Agriculture. A supply of this size would be the largest on record, either in total amount or in relation to the number of livestock and poultry to be fed during the season. Even with liberal feeding of the increased livestock population, feed-grain production appears to be more than adequate for domestic requirements and exports during the coming year and will cause the carry-over at the end of the 1949-50 season to be even greater than the carry-over this fall. The total supply of by-product feeds available for the coming year probably will be close to the average for the past few years, although it may be smaller than the large supply for the 1948-49 season.

The supply of feed grains for 1949-50, including the record carry-over from the 1948 crops, is expected to total around 158,000,000 tons, or about 7 percent above last year's record supply. Primarily responsible for this increase is the big 1949 corn supply, which is expected to exceed last year's record by around 15 percent. The bumper crop of 3,526,000,000 bushels, combined with a carry-over of around 800,000,000 bushels on October 1, provides a corn supply of over 4,300,000,000 bushels—by far the largest on record.

The oat crop was estimated in September at 1,314,000,000 bushels, which is 177,000,000 bushels less than the 1948 crop. Because of the big carry-over, however, the 1949-50 oat supply is now estimated at 1,609,000,000 bushels — only 4 percent smaller than the large 1948-49 supply. The barley supply is estimated at 334,000,000 bushels, or 10 percent smaller than last year's figure. The 1949 sorghum grain crop is estimated at 119,000,000 bushels, 10 percent smaller than the big 1948 crop but 15 percent larger than average.

The production of by-product feeds during the 1949-50 season is expected to be 18,500,000 tons, which compares with an estimate of 19,400,000 tons for the 1948-49 season and a prewar season average of 15,400,000 tons. It is expected that feeds derived from cottonseed in the 1949-50 season will approximate the quantity produced in 1948-49, unless a larger part of the cottonseed crop goes into storage under loan than is presently indicated. On the other hand, the smaller peanut and soybean crops will mean less feed from these sources.

The 1949 United States hay crop was estimated in September at 98,000,000 tons, 2 percent smaller than in 1948. Alfalfa hay production, which has been increasing in recent years, totaled about 37,000,000 tons, a near-record crop. The total hay supply of 113,000,000 tons is slightly smaller than average and also a little smaller than a year ago but is expected to be ample in most areas for the number of hay-consuming animal units on farms.

The feed situation in the Southwest is similar to that in the Nation as a whole. The

combined carry-over of corn, oats, and barley in the five southwestern states—Arizona, Louisiana, New Mexico, Oklahoma, and Texas—on July 1, 1949, was about 10 percent larger than a year earlier. No official estimate of the carry-over of grain sorghums is available, but it is believed that the amount is much larger than in 1948. Production of these four feed grains in the five states in 1949 is expected to total about 7 percent larger than in 1948, according to September 1 estimates, and probably is as high in relation to livestock on farms as in any recent year. Corn production was estimated to be about 6 percent above the 1948 crop but 15 percent below average. The estimated production of

Production of Principal Feed Crops in Five Southwestern States* in 1949, with Comparisons

(In thousands of units)

Crop	Unit	Average	1948	1949
		1938-47		Indicated Sept. 1
Corn	bu.	119,200	96,178	102,452
Oats	bu.	65,418	35,560	52,659
Barley	bu.	12,546	10,563	10,134
Grain sorghum	bu.	71,081	92,870	87,751
Hay	tons	4,421	4,726	4,843

*Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
SOURCE: United States Department of Agriculture.

grain sorghum, the second most important feed grain in the Southwest, is 6 percent below the 1948 crop but 23 percent above average. Oat production in 1949 was up almost 50 percent above the small crop produced last year, while this year's production of barley is near that of 1948. The 1949 production of hay in this region is estimated at slightly above last year's and 10 percent above average.

With adequate supplies of feeds and feed grains in prospect, what course are feed prices likely to take during the 1949-50 season? This is a particularly important question for livestock producers in view of the uncertainty regarding livestock prices. The prices of feed grains on September 15 were below the government support levels, and many market analysts have expressed doubt that they will rise substantially above these levels during the coming winter. Hay prices, which earlier this year reached the highest level since 1920,

have declined more than seasonally since February, and although there may be some price increase during the winter to supply the seasonally large demand, they are not expected to be as high as during the winter of 1948-49.

In view of the slightly lower production of by-product feeds forecast for the 1948-49 season and the larger numbers of livestock on hand, it appears that the by-product feed market during the coming winter may show considerable strength, according to the Department of Agriculture. The price of soybean meal at Chicago reached a near-record high of \$108.90 per ton in late August, although it declined somewhat during September. The strong demand for soybean meal as an ingredient for poultry and hog feeds is largely responsible for the increase in price. As compared with a year earlier, the average price of cottonseed meal in August was slightly higher, while linseed meal prices were lower. Prices of tankage and meat scraps also have increased during recent months to levels above those of a year earlier, and a relatively strong demand for these products is expected during the coming winter.

The fact that livestock and poultry feeds generally are in adequate supply and prices of most feeds are expected to be in a favorable relationship to prices of livestock and livestock products offers farmers encouragement to continue feeding their livestock liberally during the coming months. Feeding for early marketing rather than for heavy weights is preferred, however. Hogs weighing around 200 pounds, lambs under 100 pounds, broilers at 3 pounds, and turkeys at about 18 pounds are expected to sell at prices most profitable to producers. Feeding cattle to obtain a good rather than choice grade is also recommended.

FARM CREDIT

Country Banks Maintain Dominant Role as Chief Source of Farm Credit

Country banks throughout the United States continue to be the chief source of credit to farmers, according to results obtained in a survey of bank lending to farmers made by the Agricultural Commission of the American Bankers Association. Last year the

credit needs of some 2,680,000 farmers were supplied by the more than 12,000 country banks in the Nation. These farmers borrowed \$5,047,000,000 during the year for their short- and long-term needs.

The extent to which country banks are taking care of the credit needs of farmers is shown by comparison of their lending operations with those of competing cooperatives and government lending agencies. Banks loaned to 46 percent of all farmers in the United States during 1948, whereas the cooperatives and government agencies loaned to only 7 percent.

In the short-term nonreal-estate field, commercial banks served 2,467,000 farmers to the extent of \$4,551,000,000. The nonreal-estate farm loans enabled farmers to meet production expenses and living costs and to refinance existing obligations. Commercial banks made real-estate loans on farm land to 213,000 farmers in 1948 in the amount of \$494,000,000.

FARM REAL ESTATE

Farm Real-Estate Values Show Decline

Land values declined in most sections of the country during the 4 months ended July 1, 1949, according to the United States Department of Agriculture. The United States index of farm real-estate values dropped 2 percent below March and 1 percent below July 1, 1948. This is the first time since 1939 that the national index has dropped below the same date of the previous year. Land values in the country as a whole in July averaged about 3 percent below the 1948 peak but were still more than double the 1935-39 average.

Farm real-estate values in Louisiana, Texas, Oklahoma, and New Mexico declined from 1 to 4 percent during the 4 months ended July 1, 1949, while no change was reported for Arizona. Although real-estate values in each of these states are below peaks reached last year, on July 1 they were still considerably above the 1935-39 average: In Texas, up 93 percent; Arizona, 91 percent; Louisiana, 104 percent; New Mexico, 137 percent; and Oklahoma, 123 percent.

FARM MANAGEMENT

Livestock Owners Warned Against

Prussic Acid Poison

Prussic acid poisoning is a serious threat to livestock in the Southwest immediately after frost, reports H. I. Featherly, Oklahoma A. & M. College botanist. Poisoning may result from pasturing horses, cattle, or sheep on sorghums, Johnson grass, sudan, or African millet after frost. These plants wilt when subjected to frost, and in the process a chemical change takes place which may make the plants very poisonous. Mr. Featherly points out that in normal autumns the plants which are young and succulent, especially volunteers or second growth, are most likely to be dangerous after frost.

Symptoms of the poison are staggering, falling, convulsions, increased breathing, rolling of the eyes, and general paralysis. As soon as the disorder is noticed in an animal, the veterinarian should be called. Cattle often die within 15 minutes to 5 hours after eating plants which are in the poisonous state. The botanist emphasizes that the best means of prevention is to avoid pasturing Johnson grass, sudan, sorghums, or millet immediately after frost.

How to Get More for Corn

Southwestern farmers are harvesting a big corn crop this year, but despite the size of the crop, both in this area and the Nation as a whole, many farmers still may be able to sell their corn for a good price, provided they follow the advice of the Louisiana Agricultural Extension Service to feed their corn to hogs and send it to market on the hoof. By selling their corn as pork, they may be able to get as much as \$1.70 a bushel, even if the price of pork falls to the support level. The hog-corn ratio is very favorable and probably will remain so for months to come, says the Extension Service. When this ratio is favorable, growers can get a better return for their corn by feeding it to hogs than by selling it as corn.

In previous years the hog-corn ratio has not meant much to many southwestern farmers because, although corn is one of their biggest crops in acreage, yields per acre were extremely low and very little corn was sold. However, through the use of hybrids and better farming methods, corn yields have been increased, and more and more farmers in this area are looking for a market for their corn. Those who let hogs carry their corn to market, says the Extension Service, will make more from their crops this year.

Increased Profits from Sweet Potatoes By Using Chemicals to Reduce Rots

Sweet potato shippers and growers lose millions of dollars annually because of rots which occur while the potatoes are on the way to market. However, a highly effective method for combating sweet potato losses due to the black rot disease has been tested and is available to growers and shippers, according to John A. Cox, Louisiana State University extension horticulturist. This method involves dipping the potatoes in a 1-percent borax solution before packing them for shipment. This can be done as the sweet potatoes are being washed and graded. A standard piece of equipment can be added to the grader which will allow the potatoes to be dipped into the borax solution just before they go on the grading belt.

Louisiana State University specialists tested lots from 23 different shipments, keeping a close check on them as they reached the northern market, and compared them with lots which were not treated. Results of these studies show that losses due to black rot can be reduced as much as 89 percent by this inexpensive method.

FARM POPULATION

Texas Farm Population Continues To Decline

The Texas farm population declined about 11,000 persons during 1948, according to estimates recently prepared cooperatively by the Texas Agricultural Experiment Station and the Bureau of Agricultural Economics. The number of persons living on Texas farms and ranches on January 1, 1949, was

estimated at 1,701,000, compared with 2,139,000 in 1940. The State's farm population represented 23 percent of its total population on January 1, compared with 33 percent for the same date in 1940.

During the years since 1940, the total population of Texas increased by 979,000 persons, while its farm population decreased by 438,000. These figures indicate that about half of the urbanization of Texas, which has occurred with phenomenal rapidity, has been based on the movement of farm people to the urban centers.

Reasons given for persons moving off farms in Texas include the poor condition of many rural roads, the generally low level of rural living, opportunities for urban employment, lack of adequate housing on many farms, mechanization of farming, shifts to types of farming requiring less labor, and an increase in the number of farmers residing in urban areas.

PUBLICATIONS

Texas Agricultural Experiment Station, College Station:

Cost of Handling Texas Citrus, Fresh and Processed, with Comparisons for Florida, 1946-47, Bulletin 709, by K. A. Fugett and J. K. Samuels.

Effect of Newcastle Disease on the Keeping Quality of Eggs in Storage, Progress Report 1180, by E. D. Parnell.

Texas Farm and Ranch Land Prices, 1948, Progress Report 1181, by John H. Southern and Wayne C. Rohrer.

Results of the 1948 Cotton Defoliation Tests at Lubbock, Progress Report 1182, by Earnest L. Thaxton, Jr., and D. L. Jones.

Distribution of Fertilizer Sales in Texas, January 1-June 30, 1949, Progress Report 1183, by J. F. Fudge.

Cabbage Variety Trials in the Lower Rio Grande Valley of Texas, Progress Report 1187, by J. S. Morris and others.

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