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AGRICULTURAL OUTLOOK FOR REMAINDER OF 1949

Last fall this *News Letter* carried a brief discussion of the outlook for agriculture in 1949, as viewed at that time by analysts of the United States Department of Agriculture. In July, after having passed through the first half of the year, the USDA readjusted its sights in the light of later developments and presented in its *Demand and Price Situation* some revised estimates of what's ahead for farmers during the remainder of this year.

In taking a look at the over-all economic situation at midyear, the USDA notes the decline in economic activity that has been under way since last fall but cautiously points out that trends in various segments of the economy have been somewhat divergent. Industrial output was down 13 percent from the postwar high of last fall. Also, nonfarm employment in May was 1,000,000 lower than a year earlier. On the other hand, consumers' incomes had declined proportionately less than industrial production, total expenditures for new construction in the first five months of 1949 were up 3 percent from a year earlier, and United States exports of goods and services in the first quarter of the year were maintained near last year's level.

The reductions in nonfarm employment and industrial output, as well as other economic factors, are reflected in the course of prices during the first six months of 1949. The average wholesale prices of farm products declined about 7 percent during this period, while declines of about 5 percent were recorded for foods and industrial commodities. Cash receipts from farm marketings totaled 6 percent less than in the first half of 1948, with farmers' net incomes probably down somewhat more. As most economic indicators continued to point downward at midyear, the prices of

farm products during the remainder of the year are likely to average somewhat lower, especially if weather conditions are favorable to the development and harvest of the generally large 1949 crops.

The pig crop this spring was 15 percent larger than the crop last spring and the largest spring crop for any peacetime year. It is expected that the fall pig crop will be perhaps 9 percent larger than the 1948 fall crop and the third largest on record. Therefore, the USDA believes that the prices of hogs will hold near July 1 levels for the remainder of the summer and then decline, as spring pigs reach the market in volume. They may possibly reach the support level this autumn and will decline seasonally to perhaps \$15 or less in December. Trends in demand, of course, likely will determine whether or not prices will decline to support levels.

Slaughter of choice and prime grades of steers increased during the spring, and prices of all the better grades are expected to make only a slight advance during the remainder of the summer—less than the usual seasonal rise for these grades. Prices of grass-fat cattle, says the USDA, may experience about the average seasonal decline.

Prices of slaughter lambs have declined somewhat as supplies have increased, but as the decline started from a high price relative to prices of other classes of meat animals, lamb prices are expected to be relatively higher than other livestock prices throughout most of this year.

The over-all index of prices received by farmers for milk products in June was about one-fifth below the record of June and July 1948. However, as milk production has passed the seasonal peak for 1949 and will decline

until late fall, prices received by farmers for milk and milk products are likely to increase during the rest of this year, but the rise may be less than the usual seasonal amount.

Egg prices continued their seasonal rise through mid-June, while poultry meat prices continued the decline that began in April. The ample supplies of poultry products in prospect for the rest of 1949 offer little chance for substantial increases in prices. However, supplies and prices of feeds and feed crops encourage liberal feeding of the present flocks. To June 1, hatchings of chicks were 26 percent larger than a year ago and the turkey hatch had increased even more. Holiday-season prices of turkeys will be lower than the record high of 1948.

Spot cotton prices at mid-June were about one-third cent per pound below the peak price for the season reached in late April and were about 4.25 cents per pound below mid-June prices last year. The scarcity of "free" cotton (cotton outside the government program) and the relatively high rate of total disappearance (principally due to large exports) were important factors in sustaining cotton prices. Demand for cotton by domestic mills is low and is limited to filling immediate requirements. Mill stocks of 1,277,000 bales at the end of May were the lowest for that month since 1939. It is expected that purchase by domestic mills will continue to be limited to current requirements for the next few months and that a major part of the 1949 crop will be placed under the government loan program.

United States wheat supplies for the 1949-50 season are expected to be the largest on record. Exports of wheat during 1949-50 will depend upon grain production in both exporting and importing countries and particularly upon the foreign aid policies of this country. The domestic wheat situation has been strengthened by liberalization of the loan program at harvest time and by the new provisions for the construction of storage space. However, wheat prices fell below the support level during the period of harvesting the winter crop, and in view of the large supply on hand it is expected that prices will remain near the support level indefinitely.

Weather so far this year has been favorable for growth of feed grain and forage crops. However, the weather during the remainder of the season will be an important factor influencing feed grain prices this fall and winter. Other factors that will influence feed grain prices are the slightly lower loan rates this year, prospects for further weakening in demand for farm products, and larger feed requirements of livestock and poultry. A sharp drop in feed grain prices similar to that of last summer and fall is not expected this year, since prices generally have adjusted to the loan level. The supply of hay this winter is expected to be slightly larger than last year's supply and to be ample for the prospective number of livestock to be fed.

The prices received by farmers for fruit this season are expected to be lower than last year because of the large production of deciduous fruits in prospect, which is estimated at about one-eighth above last year and 10 percent above average. Prices that growers receive for citrus fruits for the remainder of the season, on the other hand, are expected to continue considerably higher than a year earlier, because of smaller supplies.

As demand for fresh vegetables is slightly weaker than last summer and total production is somewhat larger, prices which farmers will receive for fresh vegetables for the remainder of the summer are expected to average lower than in the same months of 1948, although there will be variations among the several commodities. Prices received for potatoes are expected to average about one-fifth lower than the prices received in the same months of 1948, unless production is seriously curtailed by dry weather.

FARM MANAGEMENT

Summer Feeding of Pullets

There are many factors to be considered in caring for pullets during the summer, but plenty of tender green feed on the summer range is a very important one, according to W. J. Moore, Associate Extension Poultry Husbandman of Texas A. & M. College. Good range furnishes the growing pullets with a supply of vitamins, minerals, and other growth

factors that cannot be obtained fully from any other source.

Since pullets begin laying before they are mature, it is best to keep them growing in body and gaining weight as fast as possible before their combs develop. Feeds containing soybean meal and cottonseed meal for protein, with small amounts of fish meal and meat scraps, seem to be best for growing pullets, Mr. Moore points out. They should get this feed along with liberal amounts of grain and the best tender green range available. The addition of choice alfalfa leaf meal to the mash is a good substitute when green range is not available. If the pullets are developed properly this summer, they will be ready to produce next fall and winter, when egg prices are highest.

Guar Has Merits as Soil Builder

Guar, a tall-growing summer legume, is not a new crop in Texas, for records show that it was first planted in the State some 35 years ago. Despite the fact that it has never been produced on large scale, it is becoming more popular each year, especially in the southern part of the State.

E. B. Reynolds, in charge of soil and crop management investigations for the Texas Agricultural Experiment Station, says that the two strongest points favoring guar are its value as a soil builder and its ability to grow under dry conditions. It is not a good forage or grazing crop, because livestock do not like it.

During the past 20 years the Station has tried growing guar in several different sections of the State, and it has proved to be a valuable soil-building crop for certain areas. It has been grown as far south and east as Brazoria and Galveston Counties and as far north and west as Knox County. The experience of farmers in the Karnes County Soil Conservation District has indicated that it is suitable for following the winter flax crop, and it makes a good growth on the several different types of soil found in that County.

Control Growth of Vegetation in Stock Ponds or Farm Lakes

Moss and other underwater growth in farm ponds or lakes can be controlled by using

sodium arsenite, according to R. E. Callender, Extension Specialist in Wildlife Management, Texas A. & M. College.

In an experiment on a 400,000 cubic foot Washington County lake in which the moss and weed growth was so thick that fishing and boating were almost impossible, 10 gallons of sodium arsenite mixed with about the same amount of water were sprayed on the surface. As a result of the treatment, the moss and above-water growths were killed within 24 hours, and four days later the moss started floating to the surface. By the end of a week, says Mr. Callender, open patches of water began to appear and fishing was resumed. At the end of two weeks, most of the underwater growth seemed to be dead.

Farmers who have lakes or ponds containing fish are cautioned to measure the area very carefully and to figure its contents before using sodium arsenite. Too heavy an application can prove fatal to the fish. The manufacturer's recommendations covering the use of this weed killer should be followed closely, and it would be well to consult the local county agent before starting a similar control program.

FARM PROGRAMS

Price Supports Announced for 1949

The United States Department of Agriculture recently has announced price support programs for the following commodities:

Cotton: The average loan rate for 7/8-inch Middling upland cotton will be 27.33 cents per pound, compared with last year's rate of 28.79 cents. The average rate for 15/16-inch Middling cotton will be 220 points higher, or 29.43 cents per pound.

Cottonseed: Grower prices for the 1949 crop will be supported through loans at a national average of \$49.50 per ton, which compares with a July 15 price of \$37.50 per ton. The program is applicable to clean, safely stored cottonseed having a moisture content of 10 percent or less.

Dry edible peas: Alaska, Bluebell, Scotch green, First and Best, Marrowfat, and White Canada smooth peas which would grade U.S. No. 1 after normal cleaning will be supported

at \$3.12 per 100 pounds of sound whole peas, compared with a support price of \$5.25 last year. On the same basis the support price for Colorado White peas will be \$2.87, compared with \$4.55 in 1948.

Sweet potatoes: Puerto Rican, Nancy Hall, and similar varieties, U. S. grade No. 1, will be supported at \$1.50 per bushel from September 1 to November 15, and at \$2.00 thereafter. Support prices for other varieties and grades will be slightly lower.

Turkeys: Live turkeys will be supported at a national average price of about 31 cents per pound, or approximately 90 percent of parity.

Wheat Acreage Allotments Announced for 1950

State acreage allotments for the 1950 wheat crop, which totaled 68,944,099 acres as compared with 83,173,000 acres seeded for harvest in 1949, have been announced by the United States Production and Marketing Administration. The allotments are based primarily on the seeded wheat acreage in each state during the past 10 years, adjusted for recent production trends. Acreage allotments for the five states of the Eleventh Federal Reserve District are shown below:

State	1950 acreage allotment	Acreage planted for 1949 crop	Percent reduc- tion
Arizona . . .	29,459	30,000	2
Louisiana . .	140	-----	---
New Mexico	520,302	554,000	6
Oklahoma .	6,015,842	7,552,000	20
Texas	5,909,134	7,630,000	23

TECHNOLOGICAL DEVELOPMENTS

Animal Protein Substitutes Improve Hatchability

An important problem of hatcheries is to obtain eggs with a high degree of hatchability. This problem was given study at the Oklahoma Agricultural Experiment Station, and it was found that the hatchability of eggs improved 10 to 20 percent when breeder rations containing 10 percent of meat and bone scrap and 5 percent of dried buttermilk were

supplemented with 5 percent fish meal or commercial animal protein substitutes. It was found that the commercial animal protein substitutes, now more readily available than fish meal, are nearly the equivalent of the fish meal in supplemental value.

Cottonseed Hulls and Molasses Make New Feed

Ground cottonseed hulls and molasses, dehydrated and pelleted, make up a new feed product that should be of wide interest to members of the cottonseed crushing industry, according to an article by Dalton E. Gandy in the June 11, 1949, issue of *The Cotton Gin and Oil Mill Press*. After seeing these pellets and livestock fed on them, Mr. Gandy concludes that they offer a good opportunity for increasing consumption of cottonseed hulls and providing livestock feeders with an economical, easily handled feed that will give excellent results. The pellet is, of course, a carbohydrate feed similar to corn and requires supplementing with cottonseed meal or other forms of protein for a balanced ration. The chief distinction of the pellet is that it eliminates, through dehydration, much of the water content of molasses and results in a feed product with a high molasses content.

PUBLICATIONS

Trees, 1949 Yearbook of Agriculture, United States Department of Agriculture. For sale at \$2 a copy by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

Jobne's Disease in Milk Goats, P.B. 1030, by S. R. Skaggs, New Mexico Agricultural Experiment Station, State College.

Chemical Control of Weeds and Brush in Oklahoma, Bulletin No. B-335, by W. C. Elder, Harry M. Elwell, and F. A. Romshe, Oklahoma Agricultural Experiment Station, Stillwater.

Effect of Fertilizers Upon the Yield, Size and Grade of Tomatoes, Progress Report 1173, by W. R. Cowley and others, Texas Agricultural Experiment Station, College Station.

Copies of these publications may be secured by request to their respective publishers.