

Agricultural

NEWS LETTER

FEDERAL RESERVE BANK OF DALLAS

Vol. 9, No. 4

DALLAS, TEXAS

April 15, 1954

A Review of the Cattle Situation

The number of all cattle and calves on the Nation's farms and ranches as of January 1, 1954, was 1,040,000, or 1 percent higher than a year earlier, according to estimates by the United States Department of Agriculture.

Increases in total cattle numbers were recorded in all but seven states. The declines reported were as follows: Iowa, 6 percent; Nebraska and New Mexico, 5 percent each; Arizona, 4 percent; Colorado and Texas, 3 percent each; and Kansas, 1 percent.

The class of cattle showing the largest increase in the Nation was beef cows 2 years old and over—up 6 percent from a year earlier. Beef calves, dairy cows, dairy heifers, and dairy calves increased from 1 to 3 percent, while beef steers declined 11 percent and beef heifers, 4 percent. In the Southwest the largest decline occurred in the number of 1- and 2-year-old dairy heifers.

The unusually large calf crop in 1953, the slaughter of a substantial number of steers, and the marketing of distress cattle from drought areas yielded an all-time record volume of beef and veal production. The total was equivalent to 76 pounds per person—also a record high. Approximately 36,660,000 head of cattle and calves were slaughtered in 1953.

Slaughter of cattle and calves during the first 2 months of 1954 exceeded slaughter during the comparable months of 1953 by

more than 10 percent. Forecasts by the Department of Agriculture are that production during the first half of 1954 will exceed the comparable period a year earlier.

Despite the fact that the number of beef cows is up 6 percent from a year ago, it is expected that the 1954 calf crop may not exceed that of 1953 because the number of calves saved per 100 cows in 1953 was unusually large. Such a favorable record seldom occurs in two successive years. However, there will be ample supplies of beef and veal throughout 1954, and total slaughter for the year may exceed slightly the record volume of 1953. The fact that there were 1,000,000 fewer steers on feed on January 1, 1954, as compared with a year ago indicates that the proportion of grain-fed cattle marketed may be smaller than in 1953.

According to the United States Department of Agriculture, cattle marketings during the past year or two have followed the typical cyclical pattern. Marketings of steers and heifers have increased first, followed by heavier marketings of calves, with increased cow and heifer slaughter occurring last. In 1953 the proportion of total slaughter accounted for by cows and heifers increased sharply to about 31 percent but not sufficiently to halt the rise in total cattle numbers. Past records indicate that slaughter of cows and heifers must reach about 44 or more percent of total number slaughtered before a decline in cattle population can be expected.

The Department of Agriculture points out that the demand for beef continues strong, and indications are that unless unemployment increases substantially, consumers will continue to buy large quantities of beef at current prices. The steady growth in population, amounting to nearly 7,000 persons daily, is providing a constantly expanding market for beef.

An important factor in the demand for beef in 1954 is the supply of pork available to consumers. Currently, pork production is running about 15 to 20 percent below a year ago. However, the United States Department of Agriculture reports that the 1954 spring pig crop may be from 6 to 9 percent larger than a year ago. This would mean an increasing supply of pork on the market as the 1954 spring pig crop moves to slaughterhouses in the fall of this year.

The demand for stocker and feeder cattle in the fall of 1954 will depend upon many factors, including the price of cattle at the time, availability of winter pastures, and the size of the 1954 corn crop. One encouraging aspect of the prospective demand for feeder cattle is that grazing and feeding operations during the 1953-54 season generally were more profitable than during the previous two seasons. This usually stimulates larger feeding operations in the subsequent year.

Prices for cattle during 1954 are not expected to average greatly different from those in 1953, according to the United States Department of Agriculture. The Department expects that prices of feeder and stocker cattle and all lower grade slaughter cattle probably will decline seasonally, beginning in late spring. Prices of these classes will be especially vulnerable during the fall months as heavy marketings of calves and range cattle occur and the volume of hog slaughter also increases.

During recent years, about one farmer out of four worked at off-farm jobs more than 100 days annually. In contrast, one out of ten worked that much off the farm 30 years ago.

Shifting From Cash Crops to Dairying

An investment of about \$12,600 is required for a central Texas farmer to shift from a program of cash crops to dairying, according to a study by the Texas Agricultural Experiment Station. Conducted by A. C. Magee, associate professor of Agricultural Economics and Sociology, the study covers operations on 24 farms in McLennan, Bell, Coryell, and Bosque Counties.

Major items in the cost of the change in farming systems were for buildings and cows. Other items included feed storage facilities, fencing, improved pastures, and purchase of dairy barn equipment. Some farmers in the group who already had sheds and some fencing made the change from cash crops to dairying for about \$10,000.

New Product From Broiler Industry

Research at the Texas Agricultural Experiment Substation near Gonzales indicates that processed poultry offal can be an important ingredient in chick rations.

Tests are being conducted in which the offal from poultry is cooked and pressed to remove fat and about 90 percent of the water and the resulting meal added to the ration of young chicks. The rate of growth of chicks receiving this ration appears to be higher than that of chicks eating commercial rations with antibiotics added, according to Station Superintendent Arthur A. Camp.

The processed offal contains approximately 63 percent protein and includes all the essential amino acids. These amino acids aid in the utilization of feed and build body tissues.

Utilization of this waste material from the processing industry could provide an added source of income to broiler producers, as well as furnish high-protein feed for young chicks. About 1 pound of offal is removed from each

3-pound broiler during processing, and currently the offal sells for 50 cents per 100 pounds. About 100,000 birds are marketed weekly in the Gonzales area, and throughout the Southwest the total is well over 50,000,000 birds annually.

Fertilize Pastures

Pasture plants require adequate amounts of nitrogen, phosphate, and potash in order to produce at a high and efficient level, according to Ted Trew, Extension pasture specialist at Texas A. & M. College.

Most pastures in the Southwest will benefit from the addition of nitrogen fertilizer, and many of the sandier lands and lighter soils also are in need of phosphate, potash, and lime in order to provide essential food for pasture plants. Mr. Trew points out that these essential elements are required by pastures, just as they are by cotton or corn.

The more common signs of lack of nitrogen in pastures are yellowing of plants and decline in growth. Soil tests should be made to determine fertilizer requirements, but, many times, general recommendations can be obtained from local county agents.

Grain Storage Space Will Be Short

Lack of suitable storage space at harvest time frequently forces farmers to take much lower prices for their products. This is especially true of commodities that are under price support, as lack of proper storage facilities makes it impossible for growers to take advantage of the price support program.

Mr. C. H. Bates, Extension farm specialist of Texas A. & M. College, points out that the carry-over of grains from previous years, together with the anticipated production of wheat and grain sorghums in 1954, will require a great deal more storage space than is presently available.

GET A PROGRAM TO CONTROL COTTON INSECTS

Haphazard application of insecticides to cotton can be a costly operation. On the other hand, a well-planned program of insect control can be one of the more profitable expenditures on a cotton farm. Actual experience by farmers has shown that a well-organized and successfully executed insect control program can double and sometimes triple cotton yields.

All cotton states have recommended programs of insect control, which can be obtained from county agricultural agents, ginners, and seed dealers.

Make your cotton acres count in 1954!

Mr. Bates suggests that farmers give serious consideration to the building of storage space on their farms for their own crops. In many parts of the Southwest, grain stored on the farm can qualify for the Government price support program. It is advisable for farmers to check with their local Agricultural Stabilization Committees regarding the requirements for on-the-farm storage and which crops can be stored on the farm under the price support program.

Mr. Bates states that loans for constructing farm storage facilities are available through the local Agricultural Stabilization Committees. He reminds farmers that the cost of such buildings can be written off over a period of 5 years in the computation of Federal income taxes. Plans for building grain storage facilities are available at no cost from county agricultural agents.

Any dairy cow that produces only 5,000 pounds of milk a year barely pays her way and seldom makes more than a very small profit for her owner, reports the United States Department of Agriculture.

Fertilizer for High Plains?

The use of commercial fertilizer in the High Plains of Texas has gained momentum in recent years, as some farmers have found it profitable to use supplemental plant food on certain fields. However, results of experimental tests by the Texas Agricultural Experiment Substation at Lubbock suggest that the use of fertilizer may not be profitable unless tailored to the needs of the soil.

In tests during 1952, applications of nitrogen, phosphate, potash, and various combinations of these three plant foods were made on land planted to cotton and grain sorghums. The crops were grown under irrigation, following recommended practices with respect to watering. No significant increase in yields was evident as a result of any of the fertilizer applications.

Undoubtedly, many of the older fields in the High Plains area are becoming deficient in certain plant foods and would benefit from the application of fertilizer. However, soil specialists recommend that tests be made in order to determine plant food deficiencies before money is spent on fertilizer.

Soil samples will be tested by the Texas Agricultural Experiment Station at College Station, Texas, and instructions for taking samples can be obtained from county agricultural agents.

Stagger Sudan Grass Plantings

Planting Sudan grass at 3 to 4-week intervals, beginning as soon as the danger of frost is past, will provide grazing throughout most of the summer, says E. M. Trew, Extension pasture specialist of Texas A. & M. College.

Mr. Trew points out that Sudan grass is adapted to virtually all areas of Texas, is drought-resistant, and provides more grazing than most other summer pastures. Small patches of Sudan grass can be used as emergency pastures to give permanent grasses a

chance to recover; they also can be used to fill the gap between spring grasses and small grains in the fall.

One acre of temporary pasture should be planted for each animal unit, says Mr. Trew. Each planting should be fenced separately in order to facilitate rotation grazing. Maximum forage is obtained when livestock can be confined to a relatively small area so that they will graze off the forage quickly. They then can be moved to a fresh pasture, and the grazed area will recover and be ready for pasturing again a few weeks later.

Fertilizer, especially nitrogen, usually will increase forage production from Sudan grass. Local county agricultural agents should be consulted as to the proper kinds and rates to use.

Publications

Texas Agricultural Experiment Station, College Station:

Live and Dead Germ Sorghum Grain in Steer Fattening Rations, Progress Report 1629, by E. M. Neal and others.

Report of American Foulbrood Incidence in Texas During 1952-53, Progress Report 1630, by C. J. Burgin and others.

Cotton Variety Test at Batesville, 1953, Progress Report 1632, by Carl S. Hoveland.

Summary of the 1953 Texas Corn Performance Tests, Progress Report 1633.

*Cost of Shifting from Cash Crops to Dairy-
ing on Central Texas Farms*, Progress Report 1640, by A. C. Magee.

Sprinkler Irrigation of Cotton at College Station, 1953, Progress Report 1641, by Roy C. Garrett and Simon T. Russell.

Copies of these bulletins may be obtained by request to the publishers.

The *Agricultural News Letter* is prepared in the Research Department under the direction of CARL H. MOORE, Agricultural Economist.