

# AGRICULTURAL NEWS LETTER

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## AGRICULTURAL OUTLOOK FOR 1956

The cost-price squeeze which reduced farmers' incomes during 1955 is expected to continue during 1956, according to the outlook reports of the United States Department of Agriculture. Business conditions are expected to remain good but agricultural prices and incomes, to lag behind.

If the expansion in hog production halts during 1956, income from livestock may be about the same this year as it was in 1955. However, the Department of Agriculture expects further declines in prices of major crops and, consequently, in the income of crop farmers. The total crop output this year is expected to be large, and there is likely to be little reduction in carry-over stocks.

Little change is expected in farmers' production costs. The lower costs of farm-produced items, such as purchased feed and seed, are expected to be offset largely by higher costs for factory-produced goods. Furthermore, marketing charges during 1956 are likely to average higher than they did in 1955.

In reviewing the prospects for agriculture during 1956, the outlook reports omit consideration of any changes in farm programs that may be made during the present session of Congress.

The following are a few of the outlook high lights for individual commodities which are included in the reports of the Department of Agriculture.

### Cotton

A record supply of about 25,900,000 bales of cotton in the United States is in prospect for the 1955-56 marketing year. The estimated disappearance is placed at less than 12,000,000 bales; consequently, this would leave a record-high carry-over of about 14,000,000 bales on August 1, 1956.

Except for the 1950 crop, cotton production has been outstripping disappearance each season since 1947, and the carry-over has been increasing each season since the post-World War II low of 2,300,000 bales on August 1, 1951. The carry-over on August 1, 1956, is likely to exceed the average disappearance in recent seasons.

United States cotton exports during the 1955-56 season probably will be considerably smaller than the 3,400,000 bales shipped during the previous season. The decline in cotton exports is attributed to the increased production of cotton and synthetic fibers abroad and to the leveling off of foreign cotton consumption. The larger foreign production is partially a result of the relatively higher prices of American cotton.

Government funds available in fiscal 1955-56 for assisting in the export of cotton will finance about 1,800,000 bales, if all the funds are used. In the 1954-55 marketing season, about 1,500,000 bales were exported under Government financing.

### Wheat

On June 30, 1955, carry-over stocks of wheat totaled 1,021,000,000 bushels, or about four times larger than at the same time in 1952.

If the acreage of wheat seeded for grain this year totals approximately 55,500,000 acres and the per acre yields are only slightly larger than the 10-year average, a crop of about 860,000,000 bushels will be produced.

Domestic disappearance of wheat in the 1955-56 marketing year is estimated at 625,000,000 bushels. It is difficult to estimate exports, but if they total about the same as the 274,000,000 bushels shipped in the previous season, total disappearance in the 1955-56 season would approximate 900,000,000 bushels. If these estimates are realized, a small increase in carry-over stocks could result on July 1, 1956.

The minimum national average support price for 1956-crop wheat has been set at \$1.81 per bushel, compared with \$2.08 per bushel in 1955.

### Feed Grains

The supply of feed grains and other concentrates during the 1955-56 season probably will be larger both in total and in per animal unit than it was for any previous season. Carry-over stocks have increased and on October 1, 1955, were nearly twice those on hand at the same time in 1952.

The total feed grain supply is 11 percent greater than it was a year earlier, with the increase about equally divided between a larger carry-over and higher production. About three-fourths of the record carry-over is under loan to, or is owned by, the Commodity Credit Corporation.

Feed prices during the 1955-56 feeding season are expected to average lower than those in the previous season. The level of

prices for feed grains produced in 1956 will depend, to some extent, upon the level of price supports for the major grains, as well as growing conditions.

### Dairy

Milk production in 1956 is expected to reach a record high of 126,000,000,000 to 127,000,000,000 pounds, compared with an estimated 124,500,000,000 pounds during 1955. Since consumer incomes are expected to rise during 1956, the demand for dairy products probably will be at least as strong as it was a year earlier.

Prices for dairy products this year will be influenced by the level of supports to be announced for the marketing year beginning April 1. Because of somewhat lower feed costs, net returns to dairy farmers may be a little higher than those in any of the past 3 years.

### Cattle

Cattle slaughter during 1956 will remain large but is likely to be slightly below the 1955 level, according to the Department of Agriculture. The slaughter of steers may equal that of last year, but there may be some decline in the marketings of cows and heifers.

If slaughter does turn downward this year, cattle prices may begin a cyclical recovery. However, any changes in prices during the current year probably will be modest. A strengthening in prices is more likely in the latter part of the year than at present, since large supplies of fed cattle may limit price increases.

### Sheep and Lambs

Sheep and lamb slaughter during 1955 was the largest since 1948. Slaughter during the current year may be almost as high, unless the decline in inventories should end during the year. A reversal of the 4-year national decline in numbers is expected

within the next few years; and when this occurs, slaughter should decline.

Sheep and lamb prices are expected to be little different from those received during 1955.

### Poultry

Egg and broiler production this year probably will equal or exceed slightly the record-high levels of 1955.

Prices for eggs and broilers last year were generally above those received during 1954. These more favorable prices—coupled with lower feed prices and the fact that farmers need to find means of supplementing incomes—are expected to stimulate a large output of poultry and poultry products during the current year.

Because of these prospective large supplies, the Department of Agriculture believes that poultry prices are likely to average lower during 1956 than they did last year, although demand is expected to continue strong.

### Rice

Rice supplies for the year which began August 1, 1955, are estimated at 79,500,000 hundredweight, in terms of rough rice. Domestic disappearance of rice during the 1955-56 season is estimated at 27,300,000 hundredweight, or slightly below that in the previous season.

The quantity of rice that may be exported this season is uncertain but is likely to be larger than it was in the past year. If a further increase in carry-over stocks is to be avoided on August 1, 1956, exports would need to equal 25,500,000 hundredweight. In the 1954-55 season, exports totaled only 14,400,000 hundredweight.

A 1956 national rice acreage allotment of 1,639,084 acres has been proclaimed, which is 15 percent below the 1955 allotment. The minimum national average sup-

port price has been set at \$4.04 per hundredweight, compared with \$4.66 per hundredweight for the 1955 crop.

### New Rice Variety

Nato—a new early, medium-grain rice variety—has been developed at Louisiana State University's Rice Experiment Station at Crowley, Louisiana, in a cooperative breeding program conducted by the station and the United States Department of Agriculture. The variety was obtained by crossing Rexoro-Purpleleaf and Magnolia rice and previously was designated "selection 44C507."

Nato also has been tested at Stuttgart, Arkansas, and Beaumont, Texas, and has been found to be adaptable throughout the southern rice-producing area of the United States.

The new variety has essentially the same growing period as Zenith—the leading rice variety in Louisiana—and has outyielded both the Zenith and Magnolia varieties. Nato has been particularly outstanding for its high head rice outturn in milling tests.

Since the Nato rice plant is shorter than that of Zenith and Magnolia, it is less subject to wind damage, and the amount of straw going through the combine in harvesting is reduced. Other advantages of Nato rice over Zenith and Magnolia are:

1. Its leaves and hulls are free of plant hairs, thereby eliminating irritating dust.
2. It probably is more resistant to white tip and Cercospora leaf spot diseases.
3. It is easier to thresh than Zenith rice.

About 125 barrels of foundation stock of the Nato variety were produced this year. This stock will be released to certified seed growers next year for production of seed for commercial planting in 1957.

## Phenothiazine Mineral Mixtures for Cattle



The palatability of mineral mixtures containing phenothiazine can be increased by the addition of cottonseed meal, ground sorghum grain, and molasses. However, in tests conducted by G. E. Cauthen, associate veterinarian, and J. F. Landram, junior parasitologist, at the Angleton, Texas, Experiment Station in 1954, it was found that the cattle did not consume a sufficient quantity of the mixtures to give effective control of worm parasites.

Forty-three mixtures containing 40 to 50 percent minerals (salt and phosphorous supplement) and 2 percent phenothiazine were used in the tests. The specialists found that the amount of phenothiazine mixtures consumed by cattle varies widely and that a mixture which is palatable for one herd may not be so for another.

Because of the irregular intake of mineral mixtures by range cattle, a minimum daily average of 2 grams of phenothiazine is required to prevent 75 percent development of larvae and to give worth-while control of worm parasites.

As a result of the tests made at the Angleton Experiment Station, Messrs. Cauthen and Landram suggest two mixtures for the humid gulf coast area or where a phosphorous deficiency exists. The first mixture is composed of 10 percent salt, 20 percent bone meal or dicalcium phosphate, 2 percent phenothiazine, 20 percent molasses, and 48 percent cottonseed meal. It is recommended that each animal be fed a daily ration of  $\frac{1}{4}$  pound of this mix. If more than  $\frac{1}{3}$  pound is consumed, the salt content should be increased.

The second mixture—which is for use when cattle refuse to consume the recom-

mended quantity of the first mixture—contains the following: 4 percent salt, 10 percent bone meal, 1 percent phenothiazine, 20 percent molasses, and 65 percent cottonseed meal. The recommended ration of this mixture for each head of cattle is  $\frac{1}{2}$  pound daily.

## Publications

Oklahoma Agricultural Experiment Station, Stillwater:

*Development and Test Performance of a New Seedbed for Cotton, Progress Report for 1954*, Bulletin B-449, by Jay Porterfield and E. M. Smith.

*Insecticide Tests for Pecan Weevil Control*, Bulletin B-450, by Herman A. Hinricks and Hugh J. Thomson.

*Cotton Variety Tests, 1950-1954*, Bulletin No. B-454, by John M. Green, E. S. Oswalt, and J. D. Bilbro.

*Southland Bromegrass, A New Variety for Oklahoma Conditions*, Bulletin No. B-444, by Jack R. Harlan.

*Concho Winter Wheat*, Bulletin No. B-453, by A. M. Schlehuder and H. C. Young, Jr.

*Crop and Livestock Opportunities on Eastern Oklahoma Prairie Land Farms*, Bulletin No. B-430, by W. F. Lagrone.

*Lahoma Sweet Sudan Grass*, Bulletin No. B-452, by Charles E. Denman.

*Some Pricing and Regulating Effects of the Federal Order on the Tulsa Milkshed*, Bulletin No. B-451, by Leo J. Blakley and Durward Brewer.

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

The *Agricultural News Letter* is prepared in the Research Department under the direction of J. Z. ROWE, Agricultural Economist.