

Federal Reserve Bank of Dallas

C O T T O N

The advance in spot cotton prices during recent months came to an abrupt end last week; after reaching a season's high of 32.51 cents per pound on February 25, Middling 15/16" cotton declined markedly, falling to 32.02 on Tuesday, March 7.

Reported sales in the ten spot markets totaled 155,600 bales last week, compared with 150,100 the previous week and 114,100 in the corresponding week last year. Trading was moderately active in the Southwest. Low grades continued in good demand.

Trading in loan equities was less active last week; equity prices ranged from \$2 to \$7 per bale for the medium grades and from \$10 to \$15 for Low Middling and lower White grades.

Cotton reported pledged to CCC loan in the U.S. through February 23 totaled 3.1 million bales, compared with 4.7 million to the same date last year. Cotton placed under loan in Texas to the same date neared 1.3 million bales.

Loan repayments during the last two weeks reported exceeded entries, and net loan stocks decreased. Repayments during the week ended February 23 amounted to 36,200 bales, against 49,600 in the previous week. Repayments for the season through February 23 totaled about 286,000 bales.

Cotton exports since August 1 exceed 3 million bales, compared with 2.4 million for the same period last season.

The CCC has announced that it has issued a catalogue covering the 1948-crop pooled cotton which will be offered at intervals on a competitive basis. Previously, stocks were sold on a negotiated basis. It is said, however, that prices will remain at levels to return at least the government's investment in the cotton.

W H E A T

Wheat prices on the Fort Worth market reached \$2.47-1/2 per bushel for No. 1 Hard on Tuesday, March 7 -- the highest quotation in more than 10 months. All prices quoted by the Grain and Cotton Exchange are based on bids, offers, and actual sales to midday, basis carloads on tracks or in storage, freight and tax paid to Texas common points, interstate rate, or Texas Gulf ports, domestic rate.

PMA reports that 368 million bushels of 1949-crop U.S. wheat were placed under price support through January 31, 1950. Of this quantity, 45 million bushels were under purchase agreements and the remainder under loan.

The Secretary of Agriculture says that wheat exports will drop sharply next year. He says that domestic consumption of wheat for food will hold at about 500 million bushels annually, but exports are likely to drop to 250 to 300 million bushels a year from the 400 to 500 million bushels of the last three years.

The USDA forecast of wheat exports for the current fiscal year ending June 30 is 375 million bushels, down from the earlier forecast of 450 million.

Drouth conditions continue in much of the winter wheat belt of the Southwest. Dust storms and insect infestations are causing considerable damage to the crop. Some August and September seedings are dying.

R I C E

Rice markets continued dull during the last week in February, according to the USDA. Marketings of rough rice were small and sales in most areas were not sufficient to establish reliable quotations.

Domestic demand for milled rice generally was slow in late February. In most instances domestic distributors continued to buy supplies only as needed. However, the Houston market reported a slight improvement in domestic demand and a little business with Cuba and South America.

The quantity of 1949-crop U.S. rice placed under support through the closing date, January 31, totaled 8,135,150 cwt., rough rice basis. Of this amount, 6.3 million cwt. were under purchase agreement and the remainder under loan.

In Texas, about 483,000 cwt. were under loan, while 731,000 cwt. were under purchase agreement.

Rice lands in southeast Texas are ready for planting the new crop, except for low lands where drainage is slow.

#### C O R N

Fort Worth corn prices continue to move up gradually; a top price of \$1.73 per bushel on Tuesday, March 7, was 3-1/2 cents over a week earlier.

1949-crop corn placed under support through January 31 totaled 206 million bushels; of this quantity, 12 million bushels were under purchase agreements and the remainder under loan.

Reports indicate that corn acreage in Texas will be increased this year, thereby reversing the downward trend of the last six years. Hybrid corn will prevail.

The corn crop failure in Argentina is bringing some of her buyers to the United States.

#### O A T S

Fort Worth prices of oats make daily changes of a fraction of a cent per bushel, but show little net change from week to week. Prices on Tuesday, March 7, were about the same as a month ago.

1949-crop oats placed under support through January 31 totaled 39 million bushels; of this amount, 10 million were under purchase agreement and 29 million under loan.

#### O T H E R   G R A I N S

Barley prices in Fort Worth on Tuesday, March 7, ranged from \$1.35 to \$1.40 per bushel, about 7 cents over a month ago but 11 cents under the same date last year.

Grain sorghum prices on the same market -- quoted at \$2.35 to \$2.40 per cwt. -- are down 5 cents from a week earlier and 35 cents under a year ago.

Grain sorghums under price support on January 31 totaled 78.5 million bushels -- 70 million under loan and 8.5 million under purchase agreement.

#### L I V E S T O C K

Prices of most classes of slaughter livestock on the Fort Worth market have made slight advances during the past week. On Tuesday, March 7, hogs sold for \$17.25 top prices, compared with \$16.75 a week earlier.

Prices of slaughter steers and cows were up 50 cents on Tuesday, as compared with a week earlier, and prices of slaughter calves and stocker steers were off by the same amount.

Shorn lamb prices are advancing almost daily, and a top price of \$25.00 per cwt. on Tuesday was \$1 over a week earlier.

Receipts of each major type of livestock at Fort Worth last week were above the previous week. As compared with the same week last year, receipts of cattle and calves were higher, hogs and sheep lower.

W O O L & M O H A I R

Many Texas ranchers began shearing 8-months wool last week. Occasional cars of 12-months wool sold in Texas at an estimated clean cost of \$1.60 to \$1.65 per pound, delivered to Boston.

Wool prices have been holding firm in foreign markets as general competition remains good.

Total wool production in the U.S. in 1949 is estimated at 253 million pounds, the smallest on record. Of this total, 217 million were shorn and 36 million were pulled.

Wool production in Texas in 1949 is estimated at 52.4 million pounds, compared with 55.7 million in 1948. Sheep shorn numbered 6.6 million head. Cash income from wool last year was \$29.4 million, vs. \$30 million in 1948.

Approximately 250,000 pounds of early shorn mohair had been shipped from Texas by the end of last week.

Mohair production in the 7 leading states in 1949 is estimated at 14.6 million pounds, the smallest clip since 1927.

F A R M I N C O M E

Cash receipts from farm marketings in Texas last year reached an all-time high of \$2,150 million -- 10 percent above the \$1,955 million in 1948.

The sale of crops accounted for \$1,344 million, representing 62 percent of the total. As compared with 1948, income from crops was up 25 percent.

The sale of livestock and livestock products accounted for \$807 million, or 38 percent of the total, and reflects a decline of 9 percent from the previous year.

Farmers' cash receipts from marketings in the U.S. in 1949 came to \$27.5 billion, which was 10 percent less than in 1948. Prices of farm products were down 13 percent on the average, but this drop was partly offset by a small increase in the total volume of sales.

M I S C E L L A N E O U S

Farm prices in Texas on February 15 averaged 5 percent above a month earlier, according to the mid-month price report of the BAE. Substantial price advances for meat animals, truck crops and fruit during the period largely accounted for the increase.

Texas dairy manufacturing climbed 11 percent from December to January, reaching almost 48 million pounds, milk equivalent, according to the Texas Bureau of Business Research. This level was 38 percent above a year earlier but 10 percent below the January 1935-39 average.

The USDA has asked farmers to cut their plantings of dry beans this year by 20 percent from 1949. The allotment for the 15 producing states was set at 1,421,092 acres, which compares with a planted acreage of 1,785,292 acres in 1949.

The CCC announced last week that government's investment in supporting farm prices neared the \$4 billion mark on January 31.

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