

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices held relatively steady last week but advanced sharply during the first two days of this week. On Tuesday, April 4, the 10-market average price for Middling 15/16 inch staple was 32.30 cents per pound, which is the highest level within a month and compares with the season's high of 32.51 cents on February 25.

Trading was limited in most cotton markets last week, according to the PMA. Inquiries were fairly numerous but offerings were moderate in volume. Mill buying was slack.

CCC reports that loans on U. S. 1949-crop cotton from the first of the season through March 23 amounted to 3,156,000 bales, vs. 4,935,000 bales in the same period last season. Total repossessions from the first of the season to the same date amounted to 672,000 bales, against 541,000 last season.

Cotton placed under loan in Texas through March 23 totaled 1,339,000 bales, of which about 123,000 had been redeemed.

The March 15 parity price of cotton was 30.01 cents per pound, the BAE reports. This price compares with 29.88 in February and with a March 1949 parity price of 30.26 cents.

The drought situation in cotton producing sections of west Texas and Oklahoma continues unrelieved, and the subsoil moisture condition is quite unfavorable.

The President has signed the cotton and peanut acreage revision bill, although he said he did it "reluctantly".

The USDA has announced that it will support the price of cottonseed in 1950, although the rate will be lowered from last year's 90 percent of parity. In 1949, the Government supported cottonseed at \$49.50 per ton.

W H E A T

Wheat prices on the Fort Worth Grain and Cotton Exchange have been advancing irregularly since the first of February. On Tuesday, April 4, No. 1 hard sold as high as \$2.52-1/2 per bushel, the highest price reported in almost a year. In many sections of the southwestern winter wheat belt, wheat prices are substantially above government loan rates.

The PMA reports that 378.5 million bushels of 1949-crop wheat were under price support at the end of February. Of this quantity, 46 million bushels were under purchase agreement and the remainder under loan.

There were in Texas at the end of February almost 5 million bushels of 1949-crop wheat under farm-stored loans, 41.8 million under warehouse-stored loans, and 1.7 million under purchase agreements.

The USDA has asked farmers to store millions of bushels of several 1949-crop grains and oilseed -- oats, barley, rye, grain sorghums, and flaxseed -- for another year under government loans. The "reseal" program allows farmers to extend loans on these 1949 crops for an additional 12 months. Furthermore, farmers holding purchase agreements on these crops under the 1949 price support program may obtain loans.

The Texas wheat crop last week continued to deteriorate with practically all areas badly in need of surface moisture. The situation was particularly critical in the High Plains where infestation of green bugs remained heavy and

drying winds further depleted limited moisture supplies. Wheat was still holding up fairly well over much of the Low Rolling Plains, although soil moisture was being rapidly depleted by winds and vegetative growth.

O A T S

Oat prices on the Fort Worth market continue to rise. On Tuesday, April 4, No. 2 white oats sold as high as 99-1/2 cents per bushel, the highest price reported in about 15 months.

The PMA reports that almost 40 million bushels of 1949-crop oats were under price support at the end of February, with 10.5 million under purchase agreement and the remainder under loan.

Prospects for oat production in Texas this year are quite unfavorable. South Texas oats have suffered from lack of sufficient moisture and it appears that yields in that area will be rather low.

C O R N

Fort Worth corn prices, which have been advancing since early February, this week reached the highest level of the season. On Monday, April 3, No. 2 white corn reached \$1.79 per bushel, compared with \$1.62 on February 2. Corresponding increases have been reported for No. 2 yellow corn, which on April 4 reached a top price of \$1.63-3/4 per bushel.

The PMA reported 269.3 million bushels of 1949-crop corn under price support at the end of February, of which 15.2 million were under purchase agreement and the remainder under loan.

Corn planting in Texas has been continuing but lack of surface moisture has retarded operations in many areas. Most corn in south Texas was up to a good stand last week but was making very little growth.

G R A I N S O R G H U M S

Prices of grain sorghums on the Fort Worth market have made negligible changes during the past month. On Tuesday, April 4, prices for No. 2 yellow milo ranged as high as \$2.38 per cwt., or 2 cents below a month earlier.

The PMA reports that 81.6 million bushels of 1949-crop grain sorghums were under price support at the end of February.

Planting of grain sorghums in Texas has been retarded by lack of soil moisture.

R I C E

Continued dullness prevailed in the rice market during the week ended March 27, according to the USDA.

Preparation of the soil and seeding of rice is well under way in Texas, although little progress has been made in other parts of the southern belt because of heavy rains.

L I V E S T O C K

For the first time in 8 years, hogs were bought and sold at major markets this week without price supports.

Prices paid for hogs on the Fort Worth livestock market on Tuesday, April 4, ranged as high as \$16.50 per cwt., or 25 cents under a week earlier and 50 cents under a month ago.

Cattle prices tended to remain relatively stable last week although

some classes registered gains of as much as 50 cents per cwt.

On Tuesday, April 4, shorn lambs at a top price of \$24.25 and spring lambs up to \$28.00 per cwt. were about 50 cents under a week earlier.

WOOL AND MOHAIR

Little activity was reported the past week in southwest wool and mohair trading.

One car of mohair sold in the Texas Hill Country at 65 cents per pound for adult and 85 cents for kid, according to the PMA.

A few lots of good French combing, with some staple, 12-month Texas wool, sold in Boston last week at an estimated clean cost of \$1.60 to \$1.65 per pound.

The USDA has announced that it will support the 1950 wool clip at a national average of 45.2 cents per pound, grease basis, compared with an average of 42.3 cents in 1949.

POULTRY AND EGGS

The Dallas poultry and egg market weakened very substantially during the past week. On Tuesday, April 4, hens weighing 4 pounds and over were selling at 20 cents per pound, off 5 cents from a week earlier. Hens weighing 3 to 4 pounds sold for 16 cents, off 4 cents. Fryers at 28 cents per pound were off 5 cents. No. 1 turkey hens remained unchanged at 30 cents.

Prices paid by Dallas wholesalers to farmers and other producers for eggs dropped 1 cent last week, or to 27 cents per dozen.

Egg prices in the coming months of seasonally large egg production are expected to continue substantially lower than a year ago, says the USDA. They will show some seasonal rise in late summer and fall, but remain lower than last year.

MISCELLANEOUS

Some 9 million pounds of frozen turkey acquired by the USDA in its price support operations last year will be distributed through the School Lunch Program, except for such quantities as may be sold to export buyers.

The USDA has announced a program to encourage both new domestic uses and exportation of honey. This program is expected to aid in disposing of annual honey surplus and in stabilizing returns to beekeepers. Payments of not more than 4.5 cents per pound will be made to packers.

The mid-March index of prices received by Texas farmers for all agricultural commodities was at 274, up 2 points from the previous month and compares with an index of 293 a year earlier. The rise in the index resulted from the continued increase in prices of most meat animals together with slight advances for cotton, wheat, barley, chickens, and eggs.

U. S. exports of agricultural products during January, the seventh month of the 1949-50 fiscal year, were valued at \$224.3 million, compared with \$299.8 million in December and \$324.6 million in January 1949, according to a new report of the USDA. Agricultural products accounted for 31 percent of the value of all exports.