

Federal Reserve Bank of Dallas

W H E A T

The USDA estimates the 1950 winter wheat production in the Nation at slightly under 764 million bushels, based on the outlook as of April 1, which compares with last year's harvest of 902 million bushels and a 10-year (1939-48) average production of 759 million bushels.

The April 1 estimate of the Nation's winter wheat production is 121 million bushels below the December forecast. This decline in crop prospects is due, says the USDA, to "continued dryness, aphid infestation, and acreage abandonment in the Southern Great Plains".

Winter wheat production in Texas this year is estimated at 24,940,000 bushels, which compares with the December 1 forecast of 68,585,000 bushels and with the 1949 production of 102,847,000 bushels.

Wheat prices on the Fort Worth Grain and Cotton Exchange this week reached a new high for the season. On Tuesday, April 11, No. 1 hard wheat sold for a top price of \$2.53-1/2 per bushel, which is slightly above a year earlier. Wheat prices have been advancing gradually for the last two months under the influence of poor prospects for new crop production and other factors.

The ECA last week granted about \$2.6 million to the Netherlands and \$2 million to Norway for the purchase of U. S. wheat.

The Government has lowered its official estimate of U. S. wheat exports for the year ending June 30 for the third time. USDA officials now say that exports of this grain are expected to total no more than 325 million bushels, compared with the original official estimate of 400 million bushels or more.

O T H E R G R A I N S

Prices of other grains on the Fort Worth market have taken divergent trends during the last several weeks. On Tuesday, April 11, No. 2 white corn sold for a top price of \$1.84 per bushel, the highest price reported since last August. No. 2 yellow corn, following the same general trend, sold for a top price of \$1.67 per bushel.

Oat prices have been rising since late January and are a few cents above a year ago. On Tuesday, April 11, a top price of 99-1/2 cents per bushel was paid for No. 2 white oats, which was the same as a week earlier although fractionally below last week's high.

Barley and grain sorghum prices have not kept pace with recent rises in prices of other grains but instead have tended to weaken. On Tuesday, April 11, No. 2 barley sold for a top price of \$1.38-1/2 per bushel and No. 2 yellow milo was quoted at a top price of \$2.35 per cwt. Each of these prices is several cents below quotations of late March.

C O T T O N

Spot cotton prices have made little net change during the past week. On Tuesday, April 11, the 10-market average price for Middling 15/16 inch staple was 32.35 cents per pound, which compares with 32.30 cents a week earlier and 32.96 cents a year ago.

During the week ended April 6, farmers placed only 3,900 bales of cotton under the loan program but they repossessed 63,000 bales. This left net CCC loan stocks of 1949-crop cotton at about 2.3 million bales.

Exports of cotton from all U. S. ports last week brought the total for the season thus far to over 3.4 million bales as compared with 2.7 million in the same period last season.

Stocks of cotton at all U. S. ports at the end of last week totaled about 2.5 million bales against 1.4 million the same date last year. The larger figure this year results partly from the strike at the waterfront compresses in Houston and Galveston.

FLAXSEED

The USDA has announced that it will support the price of flaxseed at 60 percent of parity. The support price for No. 1 flaxseed was set at \$2.82 per bushel, Minneapolis basis. The 1949 support price at 90 percent of parity was \$3.99 per bushel; in 1948 it was \$6.00.

The USDA announced that the support price for No. 1 flaxseed at Corpus Christi and Houston will be \$2.57 per bushel. The support price for No. 2 flaxseed will be 5 cents per bushel less.

The program to support flaxseed will be carried out through producer loans and purchase agreements.

South Texas flax was ripening last week, but yield prospects were so low in some fields that farmers were turning stock in to salvage the crop for feed.

LIVESTOCK

The Fort Worth livestock market continues to hold fairly steady with only minor price changes reported for the last several weeks. On Tuesday, April 11, the top price for hogs was \$16.75 per cwt., the same as a week earlier.

Prices of most classes of cattle on Tuesday were about 50 cents per cwt. above a week earlier. Lamb prices on the other hand were off 25 to 50 cents per cwt.

Commercial meat production in Texas during February totaled nearly 55 million pounds, or 3 percent less than that produced in the same month last year, according to a report issued last week by the BAE.

POULTRY AND EGGS

The Dallas poultry and egg market was generally unchanged last week. Heavy hens at 20 cents per pound and fryers at 28 cents held steady. The market continued to offer 27 cents per dozen for eggs, although a 1 cent premium was paid for white infertile eggs.

The BAE's new report on income in 1949 from eggs and chickens (including commercial broilers) shows a reduction of about 2 percent in gross income from the record high of 1948. More chickens and eggs were sold in 1949 but this increase was more than offset by lower prices.

Cash receipts from sales of chickens and eggs in the U. S. last year exceeded \$2.7 billion, representing 86 percent of gross income. The remainder was the value of products consumed on farms where produced.

Texas farmers sold over \$22 million worth of chickens last year compared with \$18.9 million in 1948. They sold over \$79.8 million worth of eggs compared with \$79.7 million the previous year.

The PMA has announced it will continue to support prices of eggs during May and June.

The Cotton and Peanut Acreage Revision Act and
its Provisions of Interest to Southwest Farmers

Public Law 471, 81st Congress, commonly referred to as the Cotton and Peanut Acreage Revision Act, contains provisions of particular interest to many Southwest farmers -- provisions which may affect greatly their farming operations in 1950 and subsequent years.

Provisions of Interest to Cotton Farmers: According to the new law, the minimum 1950 acreage allotments shall be based on the larger of (1) 65% of the average acreage planted to cotton (or devoted to war crops in place of cotton) in 1946, 1947, and 1948; or (2) 45% of the highest acreage planted to cotton on the farm during any one of the 3 years; but (3) not more than 40% of the 1949 acreage which was tilled or in regular rotation on the farm.

The Act further provides for the re-allotment in 1950 to farms in the same county (to the extent necessary to provide the allotments authorized by this Act) of any acreage allotted to individual farms which will not be planted to cotton and is voluntarily surrendered to the county committee.

Any allotted cotton acreage released to the county committee must first be used in adjusting allotments on those farms for which written applications to have 1950 allotments increased are on file in the county PMA office.

If any acreage remains after such allotments, it may be apportioned to other farms in the same county where allotments are determined to be inadequate. In subsequent years, the acreage surrendered and re-allocated shall be credited to the State and county.

Any farmer who is dissatisfied with his cotton acreage allotment for 1950 may apply for a review.

Provisions of Interest to Producers of Irish Potatoes: Section 4 prohibits price support on 1950-crop Irish potatoes if marketing orders under the Agricultural Marketing Agreement Act have been disapproved by producers, and limits price support to grades U. S. 1 and 2.

Section 5 prohibits price support on Irish potatoes in 1951 and thereafter unless marketing quotas are in effect.

Several Sections are of Interest to Peanut Farmers: Section 6 restores the authority for the operation of a two-price program for peanuts similar to that in effect during 1941 and 1942. The USDA is authorized to purchase excess peanuts for crushing for oil, for a diversion program, or for seed, from growers whose acreage picked or threshed does not exceed the acreage of peanuts picked or threshed in 1947.

Furthermore, the Act requires the Secretary of Agriculture to make any excess peanuts of a type in short supply available for cleaning and shelling for edible purposes at market prices and to prorate the proceeds, less expenses, among the producers.

Section 7 provides that for 1950 no State shall have its peanut acreage allotment reduced by a percentage larger than the percentage by which the 1950 national peanut acreage allotment is below the 1949 allotment.

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