

Federal Reserve Bank of Dallas

C O T T O N

The upward trend in spot cotton prices continued last week. On Saturday, April 29, the 10-market average price of Middling 15/16 inch staple reached 32.79 cents per pound, compared with 31.84 cents a month earlier, and reflects a rise of 3.34 cents since the season's low on October 5. Prices on Tuesday of this week were a few points lower.

Consumption of refined cottonseed oil during March amounted to 408,387 400-pound barrels, compared with 390,398 barrels in February and 322,550 barrels in March 1949. Consumption for the first 8 months of the current season, August-March, totaled 2.75 million barrels, compared with 2.47 million during the same period last season.

The CCC reports that its inventory holdings at the end of March included 3.6 million bales of cotton costing \$608 million, and 563,000 tons of cottonseed which cost \$30 million.

Domestic exports of cotton for the first nine months of the season, August-April, totaled about 3.7 million bales, compared with less than 3.1 million for the same period last season.

Mill stocks of cotton increased during March for the seventh consecutive month, reaching 1.88 million bales, as compared with 1.56 million a year earlier.

The USDA has warned southern cotton growers to get ready for a "real fight" against the boll weevil this year. It says that huge numbers of weevils exist and will enter cotton fields this spring and summer.

The CCC reports that loans on 1949-crop cotton from the first of the season through April 20 amounted to about 3.2 million bales, compared with 5.1 million to the same date last season. Total repossessions for the same period amounted to almost 1 million bales, leaving net loan stocks of 1949-crop cotton at 2.2 million.

W H E A T

Prices of No. 1 hard wheat on the Fort Worth Grain and Cotton Exchange on Tuesday, May 2, were at \$2.44-\$2.48 per bushel, down 2 cents from the prices that prevailed last week.

The CCC reports its March 31 holdings of wheat at 132 million bushels, which was obtained at a cost of \$327 million.

ECA allocations last week included a grant of \$35 million to Great Britain for purchase of Canadian wheat. ECA officials explained that this purchase was approved to enable Britain to meet its commitments under the British-Canadian wheat agreement.

Stocks of wheat in all positions in Texas on April 1 totaled almost 57 million bushels, compared with less than 25 million a year earlier. All but 3 million bushels was in off-farm positions.

O A T S

Fort Worth oat prices have strengthened slightly during the last 10 days. On Tuesday of this week, No. 2 oats sold as high as \$1.01-1/4 per bushel, which compares with 99-3/4 cents a week earlier and 98-1/4 cents a month ago.

One strengthening factor in the market for oats is that Canadian prices are substantially above domestic prices.

April 1 stocks of oats in all off-farm positions in Texas amounted to 1.1

million bushels, or more than double the stocks of a year earlier.

C O R N

The advance in corn prices in Fort Worth continues, with prices having risen about 35 cents per bushel since early February. On Tuesday of this week, No. 2 yellow corn sold for a top price of \$1.73-1/2 per bushel, while the top price of No. 2 white corn reached \$1.98-1/2 per bushel.

The March 31 inventory of the CCC included 218 million bushels of corn costing \$331 million.

The PMA reports that farmers placed 315 million bushels of 1949-crop corn under the support program through March 31. This compares with 296 million bushels of 1948-crop corn placed under support to the same date last year.

Off-farm stocks of shelled and ear corn in Texas on April 1 totaled almost 1.5 million bushels, compared with about 1.2 million a year earlier.

The ECA has granted \$3 million to Ireland for the purchase of U. S. corn.

O T H E R G R A I N S

Prices of barley on the Fort Worth market made little change during the last several weeks. On Tuesday of this week, however, the top price reported was \$1.44 per bushel, compared with \$1.41 a week earlier.

Prices of grain sorghums in Fort Worth weakened 3 cents per cwt. this week, after holding steady for about 10 days. The top price of \$2.35 per cwt. paid on Tuesday, May 2, compares with \$2.40 a month ago.

Greater activity was in evidence at the leading rice markets during the week ended April 24, according to the USDA. The increased business was mostly in the export trade, where sales included 110,000 100-pound bags to Greece and approximately 175,000 bags to Cuba.

L I V E S T O C K

Prices of livestock on the Fort Worth market held steady last week but made some noteworthy advances early this week.

Hogs sold on Tuesday for a top price of \$18.00 per cwt., which is the highest price reported since early February and compares with \$16.00 at the end of March.

Tuesday's cattle prices were 50 cents to \$1.50 per cwt. above a week ago and higher than at any time since 1948. Slaughter steers brought a top price of \$29.00, compared with \$27.00 a month earlier.

Heifers, at a top price of \$28.50, were up \$2.00 from a month ago. Likewise, slaughter cows were up 50 cents - to a top price of \$21.50 - and compares with \$19.50 in late March.

The top price of \$29.50 for calves was \$1.50 over a week earlier and was the highest price paid in 22 months.

Stocker cattle brought a top price of \$28.00, reflecting an increase of \$2.00 per cwt. during April.

Spring lambs sold for a top price of \$28.50, compared with \$27.50 a week earlier.

The USDA's summary report on meat production shows that farm production from meat animals in the U. S. in 1949 amounted to 41.1 billion pounds, 7 percent above the 1948 production. Last year's production showed the first increase in 6 years, although still 5.5 billion pounds below the record production in 1943. Production of cattle and calves was the second largest on record, while that for hogs was the fourth largest.

Gross income (cash receipts plus value of home consumption) from meat

animals amounted to \$8.9 billion in 1949, \$1 billion less than in 1948. This reduction was due entirely to lower prices.

WOOL AND MOHAIR

Short supplies caused wool prices to advance in the Southwest during the past week, according to the PMA.

A large quantity of spot 12-month Texas wool sold at about \$1.65 per pound, clean basis, in Boston. In the Texas Hill Country, wool was bringing the same price, clean basis, delivered in Boston.

With supplies limited, only a small amount of mohair was sold in Texas last week. Adult mohair brought 68 cents per pound; kid hair sold for 88 cents.

CCC stocks of wool on March 31 totaled 28.5 million pounds; the cost of this wool to the Government was over \$24 million.

POULTRY AND EGGS

The principal change in prices paid by Dallas wholesalers to farmers and other producers for poultry during the past week has been in prices of hens.

Hens weighing 4 pounds and over brought 18 cents per pound on Monday of this week, compared with 20 cents a week earlier and 25 cents a month ago. Hens weighing 3 to 4 pounds sold for 14 cents per pound, compared with 16 cents a week earlier and 20 cents on the same date last month.

Fryers held steady at 30 cents per pound, while No. 1 turkey hens were still quoted at 25 cents per pound.

Prices of eggs last week dropped 1 cent, or to 26 cents per dozen, although a 2 cent premium was being paid for white infertile eggs.

On March 31 the CCC held over 83 million pounds of dried eggs, which cost the Government \$104 million. Since January 1, the CCC has bought 34 million pounds of dried eggs.

The January-April hatchery volume in the U. S. was very near that for the same period last year. Furthermore, the estimated number of chickens on farms on April 1 was 8 percent above a year earlier, despite farmers' February intentions to buy 12 percent fewer chicks than last year.

MISCELLANEOUS

As of March 31, \$4,021 million was invested in CCC price support program loans and inventories. The CCC sustained a net realized loss of \$131 million in carrying out this program during the current fiscal year through March.

More than 1,000 farm owners in the U. S. have received loan checks from the Farmers Home Administration for construction and repair of homes and other buildings through the new farm housing program.

The index of prices received by U. S. farmers rose 4 points during the month ended April 15, reaching 241 percent of the 1910-14 average. The largest increases in prices of individual commodities were made by soybeans, corn, wheat, and beef cattle. Declines were recorded for dairy products, poultry, eggs, and hogs.

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