COTTON

Prices for Middling 15/16" cotton in the ten spot markets averaged 30.86 cents per pound on Thursday, January 5, compared with 30.68 cents a week earlier and 32.37 cents a year ago. Support prices for Middling 15/16" were 115 points above the average loan level.

The Dallas price for Middling 15/16" on Thursday was 30.15 cents compared with 29.95 cents last week and 32.20 cents on the same date last year.

Market activity increased a little and reported sales totaled 136,500 bales during the holiday week. Sales totaled 159,700 bales last week and 143,200 in the corresponding week a year ago. Mill buying was in fairly good volume for both prompt and forward shipment in the southeast but domestic demand decreased in the south central area and sales were relatively small in volume.

Mill activity is the highest in one and one-half years. Many mills are sold forward well into the second quarter and some are accepting orders for third quarter delivery. Cotton stocks in mills are low in relation to the rate of consumption and mill demand is generally expected to be good for some months ahead.

1944-crop cotton placed under loan in Texas during the week ended December 29, 1949 totaled 85,100 bales bringing the total for the season to 733,506 bales, which represents 24 percent of the estimated crop.

Cotton carried over the year end by farmers for tax purposes is reported as not being in large volume, with the exception, perhaps, of the West Texas territory.

The Secretary of Agriculture is required by law to announce support price for the next cotton crop before it is planted. This announcement is expected as soon as planting starts in the Lower Rio Grande Valley in a few weeks.

The USDA is predicting domestic consumption of 9,000,000 bales for the current season, against 7,795,000 bales in the previous season.

Cotton exports this season up through January 5 totaled 1,829,315 bales, compared with 1,504,817 bales to the same date last season. Current estimates from Washington indicate total cotton exports this season of around 4,000,000 bales.

ECA officials said last week that they have received revised budget estimates from approximately half the ECA countries, and that cotton allotments or requests have been reduced in all instances from 10 percent upward. In each instance the reduction in cotton requests was accompanied by huge increases in proposed rayon production, which likely means that those markets will be permanently lost to cotton.

The 1949 cotton crop in Mexico is now estimated at 896,000 bales -- up 57 percent from 1948.

WHEAT

Wheat prices on the Fort Worth market remained stable last week, with No. 1 Hard selling for $2.38 to $2.43 per bushel.

ECA grants totaling $22,493,000 for American wheat were announced last week. ECA earmarked $17,871,000 of this amount for Western Germany. Austria received the remaining $4,627,000.
CCC reported 295,000,000 bushels of 1949 crop wheat under loans and purchase agreements at the end of November. About 43,000,000 bushels were under loans and purchase agreements in Texas.

**CORN**

Corn prices on the Fort Worth market moved up slightly last week, with top prices rising from $1.64 to $1.68-1/2 per bushel.

CCC reported more than 19,000,000 bushels of 1949 crop corn under loans and purchase agreements at the end of November.

Export demand is rather intermittent but it is present and potential and the market can look ahead to a rather steady and substantial demand from abroad, provided farmers let go of some of their large holdings of corn.

**OATS**

Oat prices on the Fort Worth grain market moved up almost 2 cents per bushel last week, with top prices rising from 96 cents to 97-3/4 cents per bushel.

The oat market has leaned almost entirely on domestic demand during the last few months. Consumption is steady but not volatile.

**RICE**

Seasonal dullness prevailed in the rice market during the last week in December. Practically no rough rice was marketed during the period either in the southern belt or in California. Prices were nominal but about unchanged. Trading in milled rice was very light as distributors were reducing stocks for the January 1 inventory. Consumer demand showed the holiday dullness, but domestic consumption appeared to be holding at a fairly high level.

The farm price of rice at the middle of December was $6.90 per barrel, compared with a loan price of $6.10 per barrel.

Rice under support at the end of November was 1,216,753 cwt., according to CCC.

**GRAIN SORGHUMS**

Prices of grain sorghums on the Fort Worth market made little change last week, holding at $2.43 to $2.48 per cwt.

Grain sorghums under support at the end of November amounted to 20,769,625 bushels.

**MEAT PRODUCTION**

Meat production in November and December was a little larger than during the same months in 1949, as was true of other months from July on. This change
from 1948 came about because marketings of both cattle and hogs were comparatively larger in the late summer and early fall of 1949 than in 1948.

**CATTLE**

Prices of cattle on the Fort Worth market made no significant changes last week: top prices for slaughter steers, $26.00; heifers, $26.50; cows, $17.50; and calves, $25.00.

Cattle feeding this winter is about equal last year's volume. Based on this prospect, cattle slaughter and beef supplies the first part of 1950 may not be greatly different from last year, and in some months may be smaller.

**HOGS**

Prices received for hogs on the Fort Worth market made no significant change last week, with top prices for 220-240 pound hogs holding at $16.00.

Larger pig crops in 1949 and the spring of 1950 will result in the slaughter of more hogs and the production of more pork in 1950 than in 1949, according to the BAE.

**LAMBS**

Lamb prices on the Fort Worth market fluctuated somewhat last week, with top prices ranging from $22.50 to $23.00. These changes probably reflect differences in quality of animals marketed rather than market instability.

**WOOL AND MOHAIR**

The wool and mohair business in the Southwest was featured the past week by contracting of mohair in the Texas hill country.

 Contracts for the spring clip of mohair in Texas saw an advance of 3 cents per pound on adult offerings, pushing the price up to 58 cents. Kid hair remained at 75 cents per pound.

Texas wools found little activity in the state or in the Boston market. Raw wool prices on the Adelaide (Australia) wool auction advanced as much as 10 percent over previous sales when the market reopened on January 10. The top price was the equivalent of about 93 cents per pound for super style yielding wool.

**POULTRY AND EGGS**

The poultry market in Dallas remained stable last week. Hens weighing 3 to 4 pounds, 15 cents; fryers, 25 cents; No. 1 turkey hens, 30 cents; eggs, 27 cents.

The announcement that England would not buy any eggs from Canada during 1950 caused a sharp break in Canadian prices, raising the possibility that during the coming season we may get eggs from Canada, unless the government places an embargo on them.
FEED MARKETS

The feedstuffs were in plentiful supply at the close of the week ended January 3, and prices declined slightly according to USDA. The index of feedstuff prices dropped about 1 point, to 210.6, while the feed grain index was up about 1-1/2 points, to 136.0. Both the feed and grain indexes were 20 points under the corresponding week last year and the spread of about 25 points between them was about the same as a year ago.

INDEX OF FARM PRICES IN TEXAS

The mid-December index of prices received by Texas farmers for all agricultural commodities was 259, down 2 percent (5 points) from a month earlier. This decline resulted largely from a drop in the prices of truck crops and the moderately lower prices received for eggs, hogs, and cotton. Compared with a year earlier, the farm price index was down 14 percent (41 points).

OPERATIONS OF CCC

The CCC has just announced that $33,148,500,000 was invested in the price support program as of October 31, 1949, and that the corporation sustained a net realized loss of $43,958,000 in carrying out this program during the current fiscal year through October. The net realized loss on the CCC price support program for the fiscal year ended June 30, 1949 was $25,000,000.

Additional funds for the CCC are proposed in a bill introduced in the new session of Congress. Present borrowing authority of the CCC is $1,750,000,000 and it is proposed that this amount be increased by $2,000,000,000.

FARM REAL ESTATE VALUES

Farm real estate values declined 6 percent during the year ended November 1949. This is the first significant drop that has occurred since 1932-1933. Eight states, one of which is Texas, showed a drop of 10 percent or more during the past year. The level of values in the country as a whole is still about double the 1935-1939 average.