Federal Reserve Bank of Dallas

WHEAT

Production of 24,687,000 bushels of wheat in Texas from the crop of 1950 was forecast by the BAE on May 1. Such a crop would be only 24 percent as large as that harvested last year, and the smallest since 1936. In the normally important High Plains area, the drought has been most severe and a major portion of the seeded wheat has died; much of the acreage has been plowed out.

It is reported that USDA officials are pessimistic about spring wheat prospects because of delay in planting as a result of wet weather. However, there is still ample time to plant and raise a bumper crop if weather conditions become more favorable. Seeding of spring wheat in the Northwest is said to be averaging two to three weeks behind schedule.

If total wheat production in the U.S. this year falls below 1 billion bushels, as now seems probable, there still will be no particular problem so far as supply is concerned. The chief question at the moment pertains to the quantity that will be outside of government hands; the price at which the CCC will be permitted to sell its holdings will be considerably above present market prices.

Prices of wheat on the Fort Worth Grain and Cotton Exchange have changed only slightly for the last several weeks. The top price for No. 1 hard wheat on Tuesday, May 16, was $2.48 per bushel, compared with $2.50 a week earlier and $2.52 a month ago. Prices quoted by the Exchange are based on bids, offers, and actual sales to mid-day, basis carloads on track or in storage, freight and tax paid to Texas common points, interstate rate, or Texas Gulf ports, domestic rate.

CORN

Prices of corn on the Fort Worth market continue to show fractional gains from week to week. On Tuesday of this week, the top price for No. 2 yellow corn was $1.74-1/2 per bushel, compared with $1.73-1/4 a week earlier and $1.67-1/2 a month ago.

No. 2 white corn sold for a top price of $2.02-1/2 per bushel, compared with $1.99-3/4 a week earlier and $1.86 on the corresponding date last month. The strength in the corn market arises from the determination of corn producers to hold on to their 1949-crop corn unless they receive a price which to them appears favorable in comparison with the loan rate. Furthermore, there is growing concern about the prospects for corn production in 1950 in view of the large amount of unfavorable weather this spring and the fact that corn planting is being delayed. Moreover, there is a strong possibility of serious corn borer infestation this year.

The prospects for corn production in Texas are very spotty. In the southern part of the State, many stands are poor and much of the crop is late. Excessive rains have delayed planting in northern counties and completion of planting no doubt will conflict with cotton planting as soil moisture conditions improve.

OATS, BARLEY, AND GRAIN SORGHUMS

Prices of oats in Fort Worth rose sharply this week with the top price for No. 2 oats on Tuesday at $1.08 per bushel, compared with $1.02-1/4 a week ago. The condition of the Texas oat crop on May 1 was reported at 55 percent, one of the lowest condition reports for the date in recent years, which reflects the widespread damage caused by drought, insects, and freezes.
Fort Worth barley prices have declined slightly during the last several marketing days. On Tuesday, May 16, the top price for No. 2 barley was $1.46 per bushel - 3 cents below a week earlier but 8 cents below a month ago.

Prices of grain sorghums in Fort Worth have declined sharply during May, although no net change has occurred during the last week. On Tuesday, prices of No. 2 yellow milo were reported at $2.18 to $2.23 per cwt., or the same as a week ago.

COTTON

Prices of cotton in the 10 leading spot markets strengthened slightly during the past week. On Tuesday of this week the 10-market average price for Middling 15/16 inch staple was 32.67 cents per pound, vs. 32.47 cents a week earlier and 32.11 cents a month ago. The comparable price on the Dallas Cotton Exchange was 32.45 cents.

Total value of cotton and cottonseed produced in Texas last year is estimated by the USDA at $923,150,000. Despite smaller unit values, the total value of the crop was 65 percent above the valuation placed on the 1948 crop. In terms of dollars, it was the most valuable cotton crop ever produced in Texas.

Lint production in Texas last year was valued at $815,322,000 and seed at $108,128,000. The average of 27.0 cents per pound received for lint cotton in 1949 compares with 29.6 cents in 1948. Cottonseed averaged only $43.60 per ton, vs. $72.10 a year earlier.

Cottonseed production in Texas in 1949 is estimated at 2,480,000 tons, vs. 1,306,000 tons in 1948. Lint production, as reported last week, is estimated at 6,040,000 bales, vs. 3,153,000 the year before.

The supply of cotton in the U. S. on April 1 was estimated by the USDA at 11.7 million bales, or 26 percent larger than the 9.3 million bales a year earlier. "Free" stocks on April 1 totaled 3.9 million bales, government-financed stocks 5.9 million, and mill stocks about 1.9 million bales. Comparable figures a year earlier were 3.3 million, 4.4 million, and 1.6 million bales, respectively.

The new cotton crop has been making fair to good development in the southern part of Texas during the last two weeks, but considerable acreage was planted late. Poisoning of insects in those areas continues. Additional rains and wet fields have further delayed cotton planting in north and east Texas.

LIVESTOCK

Livestock prices on the Fort Worth market continue to make seasonal gains. Increases of 50 cents to $1 per cwt. for many classes of meat animals were reported over the past week.

On Tuesday, May 16, the top price for hogs was $19.75 per cwt., for many classes of meat animals were reported over the past week. Slaughter steers are up to $30 per cwt., reflecting a gain of $2 during the last 3 weeks. Similar advances are reported for other classes of cattle.

Spring lambs sold as high as $29 on Tuesday of this week; however, they have been as high as $30 this spring.

The condition of early spring lambs was generally favorable on May 1, despite cool weather and slow growth of pastures in some sections of the West, according to a BAE report this week. Feed conditions over most of the Plateau area of Texas were greatly improved by mid-April rains, and early lambs there are making good progress. The peak movement to market will occur in late May and early June,
about the usual time, says the BAE. A strong demand for ewe lambs for replacement purposes is also reported.

WOOL

Wool trading was active in Texas last week, according to the PMA. Greasy, original bag 12-month wool sold at 70 to 73 cents per pound. Skirted wools brought 85 to 90 cents at Del Rio. Elsewhere in the State only scattered clips remained to be sold.

Greasy domestic worsted wools met with strong demand in Boston, with sales including a small quantity of original bag good 12-month Texas wool at $1.70 to $1.75 per pound, clean basis. Some greasy 8-month wool from Texas sold for about $1.55 per pound, clean basis.

Wool has been bringing record prices in Brisbane sales this week. In one sale, 63 bales of scoured wool brought 178-1/2 pence ($1.61) per pound.

POULTRY AND EGGS

Prices paid by Dallas wholesalers to farmers and other producers of poultry and eggs changed slightly during the last few days.

Fryers dropped from 30 cents to 28 cents per pound, the reverse change of about a month ago. Prices of hens rose, with birds weighing 4 pounds and over rising to 20 cents per pound, the same as a month earlier. Three-to-four pound hens rose 1 cent, or to 15 cents per pound.

Eggs declined 1 cent, or to 25 cents per dozen, the lowest price since before Christmas.

Egg production in Texas in April is estimated at 365 million, compared with 357 million the same month last year. Production for the first four months of 1950 was 6 percent over that for the same period in 1949.

The number of layers on Texas farms during April was estimated by the USDA at 20.4 million, or about 1 million more than in the same month last year.

COMMERCIAL VEGETABLES

Production of certain early spring commercial vegetables in Texas this year is falling considerably below the harvests in the same season last year.

The crop of snap beans is estimated by the USDA at 270,000 bushels - down 17 percent. Production of cucumbers is placed at 117,000 bushels - off 40 percent. The harvest of early spring Irish potatoes is expected to amount to only 350,000 bushels, or one-third last year's harvest. Strawberry production is set at 42,000 crates - down one-fourth from a year ago.

The principal exception to these declines in early spring vegetable production is the crop of onions which, at 3,976,000 sacks, is up 50 percent from last year.

The late spring crops of onions and Irish potatoes at 546,000 sacks and 502,000 bushels, respectively, are substantially below comparable harvests of 1949.

MISCELLANEOUS

Farm real estate values in Texas increased 2 percent between November and March, twice as much as the National average, the USDA reported last week. Expansion in oil and gas activity in the State continues to be a factor in the farm real estate market.

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