

Federal Reserve Bank of Dallas

C O T T O N

The acreage of cotton in cultivation in Texas on July 1 was estimated by the BAE at 7.2 million acres - 34 percent below that of the same date last year, while the U. S. cultivated cotton acreage was estimated at slightly over 19 million acres - 31 percent under a year earlier.

The BAE reports that the number of boll weevils emerging this spring was "the heaviest of record." Infestation of plants and early squares was very heavy but intensive and widespread poisoning was started earlier than ever.

Spot cotton prices have advanced sharply in response to the BAE report of a smaller-than-expected acreage of cotton. Middling 15/16 inch staple averaged 36.86 cents per pound in the 10 designated markets on Tuesday, July 11, which compares with 34.18 cents on July 3. This represents an increase of about \$13.40 per bale within one week.

The USDA now predicts that cotton exports for this season will exceed 5.5 million bales due to heavy ECA buying.

Recent ECA authorizations for purchase of U. S. cotton include \$11.7 million to Germany, \$800 thousand to Greece, and \$500 thousand to Denmark.

Loan repayments for the week ended June 29 totaled 133,300 bales, vs. 37,700 bales the previous week. Repayments for the season through June 29 amounted to almost 2 million bales, leaving 1.2 million bales under CCC loan on that date.

W H E A T

The U. S. total 1950 wheat production - both winter and spring crops - was estimated by the USDA on July 1 at 956.6 million bushels - up over 12 million bushels from the June forecast.

Stocks of old-crop wheat on U. S. farms on July 1 were estimated at 64.7 million bushels, vs. 67.2 million bushels a year ago.

The USDA July 1 estimate of the Texas winter wheat crop was placed at 21.6 million bushels - down more than 3 million bushels from a month earlier. This is the smallest crop since 1936 and compares with 102.8 million bushels harvested last year.

Wheat prices on the Fort Worth Grain and Cotton Exchange have made little net change during the past week. On Tuesday, July 11, No. 1 hard wheat sold for a top price of \$2.44 per bushel, or 1/4 cent below the top price on July 3.

O A T S

Stocks of oats on U. S. farms on July 1 were estimated at 191 million bushels, vs. 271 million bushels a year ago.

Farm prices of 1950-crop oats will be supported at a national average of 71 cents per bushel, which compares with 69 cents for the 1949 crop.

Prices of oats in Fort Worth have made no change since the July 4 holiday. No. 2 red oats are holding at a top price of 95 cents per bushel.

O T H E R G R A I N S

Stocks of corn on U. S. farms on July 1 totaled 1.1 billion bushels, vs. 1.3 billion bushels a year ago.

It is reported officially that farmers largely ignored the USDA's corn acreage allotment program and, according to July 1 conditions, will produce nearly half a billion bushels more than the Federal goal for 1950.

The 1950 Texas corn crop is estimated by the BAE at 65.7 million bushels from 3.1 million acres, or 21 bushels per acre.

Corn prices on the Fort Worth market strengthened during the past week.

On Tuesday, July 11, No. 2 yellow corn brought a top price of \$1.80 per bushel, compared with \$1.78-1/2 on July 3. No. 2 white corn sold as high as \$2.38 per bushel, vs. \$2.21 on Monday of last week.

Barley prices in Fort Worth on Tuesday of this week ranged as high as \$1.35 per bushel, compared with a top price of \$1.28 two weeks ago.

Farm prices of 1950-crop barley will be supported at a national average of \$1.10 per bushel, vs. \$1.09 per bushel for the 1949 crop.

Prices of grain sorghums on the Fort Worth Grain and Cotton Exchange are strengthening gradually. On Tuesday of this week, No. 2 yellow milo sold as high as \$2.25 per cwt., vs. \$2.09 two weeks earlier.

Farm prices for 1950-crop grain sorghums will be supported at a national average of \$1.87 per cwt., vs. \$2.09 for the 1949 crop.

L I V E S T O C K A N D M E A T

Prices of hogs rose sharply in Fort Worth early this week, reaching \$24.25 per cwt. on Tuesday. This is the highest price paid since November 1948.

Cattle prices in Fort Worth generally are holding strong, with top prices this week equal to the highest levels reported this year. Top prices: slaughter steers, \$31.00; heifers, \$30.00; cows, \$23.00; and calves, \$30.00 per cwt.

Spring lambs on Tuesday brought a top price of \$27.50, which compares with \$27.00 two weeks ago.

Receipts of cattle, calves, and hogs at Fort Worth during June were slightly higher than in the same month last year; receipts of sheep and lambs were lower.

U. S. commercial meat production in the first half of 1950 was slightly larger than in the same period last year. Production in the third quarter is expected to equal that for the corresponding period last year, but the fourth quarter may bring a substantial increase in meat supplies over last year as more beef and pork are in prospect.

W O O L A N D M O H A I R

Activity in the wool market was seasonally quiet the past week except for contracting of fall mohair and the purchase of a large volume of wool in Texas, according to the FMA.

Contracting of fall mohair was reported in the Del Rio Section at 84-1/2 cents per pound, f.o.b. The last sale of spring clipped mohair in Texas a week earlier brought 83 cents per pound for adult and \$1.08 for kid hair.

Purchases of a large volume of wool in Texas the past week were made at a grease price of 66 to 75 cents per pound, which is substantially above the CCC support price.

M I S C E L L A N E O U S

The total acreage of crops in the U. S. in 1950 is about 13 million acres less than in 1949 and 7 million acres below 1948, says the USDA. The Government this year sought to withdraw 30 million acres from the principal farm crops.

The BAE reports that 90 percent or more of the Nation's 1950 wheat and rice crops, 75 percent of the barley, flaxseed and rye crops, and 60 percent of the oat crop will be harvested with combines.

The current issue of Agricultural Finance Review says that the farm mortgage debt in the U. S. on January 1, 1950, totaled \$5.4 billion - 6 percent greater than a year earlier and 16 percent above that at the beginning of 1946, when it was at a 34-year low point.

W. M. Pritchett
Agricultural Economist