

## Federal Reserve Bank of Dallas

## C O T T O N

Cotton prices declined early this week; Middling 15/16 inch staple averaged 38.22 cents per pound in the 10 designated markets on Tuesday, August 1, compared with 39.05 cents on Friday of last week. However, Tuesday's prices were more than 4 cents per pound above levels of a month ago.

The PMA has announced that the average loan rate for Middling 15/16 inch cotton in 1950 will be 29.45 cents per pound, gross weight. The average loan rate last year was 29.43 cents per pound.

The penalty rate for 1950-crop cotton produced on a farm in excess of the farm marketing quota will be 15.5 cents per pound, which is 50 percent of the parity price for cotton as of June 15. Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producer is subject to the penalty, and a lien on the entire crop will be in effect in favor of the U. S.

Demand for cotton textiles continued strong last week, and prices for most construction advanced for both nearby and future delivery, according to the PMA. Inquiries for cotton textile goods increased, and the volume of sales was somewhat larger than in the previous week. However, a number of firms remained out of the market pending further stabilization in the raw cotton market and in prices for textile products.

CCC pooled stocks of cotton, which amounted to 3,338,000 bales as of June 30, are of very good quality, according to a report released by that agency. Over 54 percent was Middling or higher in grade; 37 percent was Strict Low Middling and equivalent grades.

The House has passed and sent to the Senate a bill which would assure federal marketing controls over cotton crops in 1951 and 1952.

## G R A I N S

Wheat prices on the Fort Worth Grain and Cotton Exchange have weakened considerably during the past week. On Tuesday, August 1, No. 1 hard wheat sold for a top price of \$2.44 per bushel - about 10 cents under a week earlier.

The carryover of old wheat in all positions in the U. S. on July 1, 1950, totaled 417 million bushels - more than one-third larger than a year earlier. Stocks in Texas on July 1 totaled 39 million bushels, vs. 13 million a year earlier.

The USDA reports that sales of U. S. wheat under the first year's operation of the International Wheat Agreement will fall short of the country's quota by about 70 million bushels, or 30 percent.

Corn prices in Fort Worth have declined sharply from the high levels of a week ago. On Tuesday of this week, No. 2 white corn sold for a top price of \$2.60 per bushel - off 15 cents from the same date last week. No. 2 yellow corn sold as high as \$1.78 per bushel - off 2 cents.

About 1,421 million bushels of corn remained in storage in the U. S. on July 1 - 10 percent more than the previous record quantity of a year earlier.

Prices of oats and barley on the Fort Worth market have remained unchanged for the past week. Top prices: 95 cents and \$1.42 per bushel, respectively.

The top price for No. 2 yellow milo in Fort Worth on Tuesday of this week was \$2.25 per cwt. - 10 cents under a week ago.

## L I V E S T O C K

The only noteworthy change in prices of livestock on the Fort Worth market the past week was an increase of \$1.00 for spring lambs, or to \$30.00 per cwt. Prices of other classes of livestock on Tuesday were the same as reported in this bulletin last week.



The USDA reports that this year's lamb crop is the smallest since it started keeping records in 1924. The crop estimate was placed at 18,431,000 head, or about 2 percent smaller than last year.

The movement of livestock out of Texas during June was at a much higher rate than in the same month last year, according to last week's report from the BAE in Austin. Shipments of cattle and calves totaled almost 140,000 head, or 20,000 head above June 1949. Shipments of sheep totaled 285,000 head - up 35,000.

#### POULTRY AND EGGS

Prices paid by Dallas wholesalers to farmers and other producers for poultry and eggs remained relatively stable during the past week. The only change reported was an increase of 2 cents, or to 22 cents per pound, for hens weighing 4 pounds or over.

Local fryers are bringing from 25 to 30 cents per pound. Arkansas fryers are selling for about 34 cents per pound.

The USDA announced last week that it will continue through September to purchase dried eggs to support prices to producers. The Government has purchased about 76 million pounds of dried eggs thus far this year, compared with 55 million pounds in the same period last year.

#### MISCELLANEOUS

The Government has bought 120 million pounds of butter and 77 million pounds of cheese thus far this year in attempting to support prices.

A total of 317,000 colonies of bees were on hand in Texas on July 1, 1950, according to the BAE. This was an increase of 2 percent over a year earlier.

The Government has taken steps to provide ample sugar supplies for any possible contingency by purchasing remaining Cuban reserves of about 600,000 short tons. This sugar, plus our regular deliveries, said one Government official, is more than we conceivably will need.

The National Fertilizer Association, on the basis of data from 13 reporting states, announced that almost 7.4 million tons of fertilizer were sold during the first 6 months of 1950, or 5 percent more than in the same period last year.

As a step toward curtailing the use of building materials for non-defense purposes and preventing government loans from being used to pay inflated construction costs, the FHA has announced that hereafter a farm building loan will be approved only when the amount of the loan, plus any other indebtedness on the farm, does not create a total debt in excess of 95 percent of the appraised value of the farm. Previously, a borrower's real estate debt could be as high as 100 percent of the value of the farm. Also, all loans in the future will be limited to 95 percent of the building costs estimated as of July 1, 1950.

Feedstuff markets have advanced sharply during recent weeks. The index of wholesale feedstuff prices, as computed by the USDA, reached 258 on July 18, which compares with 231 a year ago. The feed grain index was at 218, compared with 197 a year earlier.

The War in Korea, added to already heavy demand for farm products, caused a 6-1/2 percent increase in prices received by U. S. farmers during the month ended July 15 - the sharpest monthly increase since March 1947. U. S. farmers generally are receiving above parity prices for their produce.

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