AGRICULTURAL NEWS OF THE WEEK

Federal Reserve Bank of Dallas

COTTON

The USDA has estimated probable production of cotton in the U. S. at 10.3 million bales, based on August 1 conditions. This figure compares with over 16.1 million bales produced last year and a 1939-48 average of 11.6 million bales.

The 1950 Texas cotton crop is estimated at 3 million bales - less than one-half last year's production.

With the announcement of the Government's estimate of production on August 8, spot cotton prices rose sharply, after declining for more than a week, with Middling 15/16-inch cotton reaching 38.13 cents per pound, 10-market average basis, on that date.

The disappearance of cotton (domestic consumption plus exports) for the season ended August 1 approximated 14.5 million bales. Domestic consumption accounted for about 8.3 million bales and exports about 5.7 million bales. Carryover on August 1, 1950, was almost 7 million bales.

Texas cotton ginned prior to August 1 averaged higher in grade and slightly longer in staple length than last season, according to the PMA. Ideal weather conditions in south Texas during this ginning period was the contributing factor to the increase in grade index.

ECA grants last week included $30 million to France and $10 million to The Netherlands for purchase of U. S. cotton.

WHEAT

Wheat prices on the Fort Worth Grain and Cotton Exchange have fluctuated within a narrow range during the past week. On Tuesday, August 8, No. 1 hard wheat sold for a top price of $2.43-3/4 per bushel, compared with $2.41 a week earlier and $2.53-1/2 two weeks ago.

The USDA placed the Texas 1951 wheat acreage allotment at 6,263,158 acres, which compares with 2,695,000 acres harvested in 1950 and 7,093,000 acres harvested in 1949.

The condition of the U. S. spring wheat crop is favorable, but harvest will be later than usual.

OTHER GRAINS

The sharp decline in corn prices reported last week continues. On Tuesday, August 8, No. 2 white corn sold on the Fort Worth market for a top price of $2.30 per bushel, compared with $2.50 a week earlier and a season's high of $2.75 on July 26.

No. 2 yellow corn brought a top price of $1.74 per bushel on Tuesday of this week - 5 cents under a week earlier.

Only minor changes in prices have been reported for oats and barley for the past 3 weeks. On Tuesday, August 8, No. 2 barley brought a top price of $1.42 per bushel, while No. 2 red oats sold as high as 93 cents per bushel.

Prices of grain sorghums have made only slight changes since late May. On Tuesday of this week, No. 2 yellow milo sold for a top price of $2.26 per cwt. - 1 cent above a week earlier.

Approval of a contract to exchange approximately 19,000 metric tons of U. S. grain sorghums for a foreign-produced strategic and critical material for transfer to the national stock pile has been announced by the CCC.

The USDA announced an increase in the price support loan rate for the 1950 rice crop. Producer prices will be supported at a national average level of $4.56 per cwt., compared with $3.96 for the 1949 crop. The support rate of $4.56 per cwt. is equal to $2.05 per bushel.
LIVESTOCK
Livestock prices on the Fort Worth market generally have declined during the past week. On Tuesday, August 8, hogs brought a top price of $23.75 per cwt., compared with $24.00 a week earlier.

Top prices of slaughter steers ($30.50) and heifers ($30.00) remained unchanged last week, but top prices for slaughter cows fell $1.00, or to $22.00 per cwt. Slaughter calves, at $29.00, were off $1.50 per cwt., and feeder and stocker steers, at $29.50, were off 50 cents per cwt.

Spring lambs brought a top price of $29.00 per cwt. on Tuesday of this week—$1.00 below a week earlier but the same as two weeks ago.

The Texas 1950 lamb crop is estimated at 3,416,000 head—7 percent above last year's crop, despite a 3 percent smaller number of ewes on farms and ranches. The percentage lamb crop (lambs as percent of ewes) at 78 equals the record of 1927.

Output of meat, now at its seasonal low, will increase gradually through the rest of the year, according to the BAE. The gain will be in pork, largely because of the 3 percent increase in the spring pig crop, and in the better grades of beef.

WOOL AND MOHAIR
Wool prices continued upward the past week in both Boston and the Southwest range country, according to the PMA. Occasional sales of Texas wool were reported although stocks on hand are limited. Texas moved a fair volume of wool at an estimated clean cost of about $1.90 per pound delivered to Boston. Ranchers still were contracting the fall clip at 61 to 62 cents per pound, grease basis, f.o.b. Texas points.

A fair weight of 12-month Texas wools sold in Boston last week at a clean price of $1.85 to $1.90 per pound.

Little mohair was offered and business was slow in Texas and at Boston last week.

POULTRY AND EGGS
Prices paid by Dallas wholesalers to farmers and other producers for poultry and eggs have remained generally unchanged since mid-July. The only change reported last week was the decline of 2 cents for Arkansas broilers, which are now selling for 32 cents per pound, compared with 25 to 30 cents per pound for local broilers.

The number of young chickens raised on farms in 1950 in Texas is estimated at about 36 million—13 percent below the number raised last year.

Broiler chick placements on Texas farms totaled 619,000 during the week ended July 29. This was 3 percent less than the number placed the previous week but 120,000 above the number placed in the comparable week of 1949 and double the number placed in the same week of 1948.

MISCELLANEOUS
Total production of vegetables in the U. S. this year is expected to be about as large as last year's ample crops, says the BAE. Production of commercial truck crops for fresh market sale this summer is expected to total at least as large as last summer. Seasonal declines in grower prices from present levels are in prospect for late summer and early fall.

A near-record supply of feed grains and other concentrates is in prospect for the 1950-51 feeding season as a result of generally favorable weather for feed crops through July and large carryover stocks from the 1949-50 season. Feed grain supplies are expected to be more than ample for domestic and export requirements.

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