

Federal Reserve Bank of Dallas

C O T T O N

Cotton prices have fluctuated generally within a range of about 1 cent per pound during August, or since the year's high of 39.05 cents per pound for Middling 15/16-inch staple, 10-market average basis, was paid on July 28. On Tuesday, August 22, the comparable price was 37.98 cents per pound, or slightly higher than a week ago.

The PMA reports that mill demand for cotton for prompt shipment was good last week. Offerings of old-crop cotton increased; export inquiries were numerous. Repayments on 1949-crop cotton totaled 93,700 bales in the week ended August 10, leaving loans outstanding on 293,500 bales.

The indicated supply of cotton in the U. S. for the current season is about 16.8 million bales, consisting of 6.5 million bales in the carry-over, a crop forecast at the equivalent of about 10.1 million running bales, and imports of around 200,000 bales. This compares with the 21.5 million bale supply last season.

A high official of the USDA said last week that sales of 1948-crop pooled cotton will continue "as long as people want to buy it." He also said that if the CCC stopped selling 1948 supplies "the price of cotton would skyrocket -- and we are trying to keep prices in check."

The USDA estimates that cotton exports for the 1950-51 season, which began August 1, will total "at least 5 million bales." Demand abroad will remain strong, the Department said, if countries abroad can find the dollars with which to buy the U. S. fiber.

W H E A T

Wheat prices on the Fort Worth Grain and Cotton Exchange continue to hold within a narrow range. On Tuesday of this week, No. 1 hard wheat sold for a top price of \$2.43-3/4 - 1 cent below a week earlier.

The Secretary of Agriculture announced this week that price supports for 1951-crop wheat will be 90 percent of parity but not less than \$1.99 per bushel - the support level now in effect for the 1950 crop. However, the Government will not pay storage charges on the wheat it buys from the 1951 crop. This payment, amounting to 7 cents per bushel for a storage year, has been paid for several years.

Exports of wheat and wheat products during July amounted to the equivalent of about 19 million bushels, compared with almost 31 million in the same month last year.

O T H E R   G R A I N S

Prices of corn on the Fort Worth grain market have shown mixed trends during the past 2 weeks; yellow corn has risen, while white corn has declined. On Tuesday, August 22, No. 2 yellow corn sold for a top price of \$1.66-1/2 per bushel, compared with \$1.64-1/2 a week earlier. No. 2 white corn, on the other hand, continued to decline, falling to \$2.01-1/2 per bushel, compared with \$2.16-1/2 a week earlier and \$2.30 2 weeks ago.

Prices of grain sorghums have held within a range of about 10 cents per cwt. for the past 2 weeks. On Tuesday of this week, No. 2 yellow milo brought a top price of \$2.18 per cwt., the same as a week earlier.

Rice quotations at Texas and Louisiana common points show Zenith at \$9.50 and Blue Bonnet at \$13.00 per cwt..

L I V E S T O C K

Livestock prices on the Fort Worth market have made little change during the past week, with the principal exception of hog prices. On Tuesday of this week,

hogs sold for a top price of \$24.50 per cwt. - the highest level reached in almost 2 years, although only 50 cents above prices paid on many days during July and August.

During the past week, calves advanced \$1.00 per cwt., while heifers and cows rose 50 cents. Tuesday's top prices: slaughter steers and heifers, \$28.50; cows, \$22.00; slaughter calves and feeder and stocker steers, \$30.00; and spring lambs, \$28.00.

#### W O O L

The very limited supplies of wool became even more scarce in the Southwest and in Boston last week, according to the PMA.

Small amounts of wool still left in Texas brought strong prices. Original bag wool sold at 85 cents per pound, grease basis. Strictly fine staple wool sold in Boston at around \$2.10 per clean pound, delivered.

Prices received by domestic wool growers for shorn wool this year reflect the sharp rise in wool prices in foreign markets since last October, says the USDA. The average price received by growers in July 1950 was 57.1 cents per pound, grease basis, the highest since October 1918. Domestic wool prices probably will continue high for some time, says the Department. World consumption continues to exceed production; domestic wool production in 1950 will be about the same as the record low of last year; domestic mill consumption is likely to be somewhat higher than last year; and the ratio of stocks to the weekly rate of mill consumption is substantially below the 1935-39 level.

#### P O U L T R Y   A N D   E G G S

Prices paid by Dallas wholesalers to farmers and other producers for poultry and eggs held steady last week at prices prevailing for the past several weeks.

Commercial hatchery production in Texas during the month of July was 2.8 million chicks - the largest output on record for the month, according to last week's report from the BAE in Austin.

The number of laying hens on Texas farms during July averaged over 17.7 million, compared with 17.6 million in the same month last year. Layers on farms averaged 13.3 eggs each during July this year, compared with 13.4 a year earlier.

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

Retail sales of tractors and farm equipment during July rose to \$258 million, an increase of \$58 million over June, according to a farm equipment magazine. "Scare buying" on the part of farmers is regarded as responsible for the 29-percent increase over June. Prior to July, sales of tractors and farm equipment in 1950 had been running 3 percent below sales for the first 6 months of 1949.

Taxes levied on farm real estate by state and local governments in 1949 (payable largely in 1950) were at new record levels for the United States as a whole. The total amount of such levies is estimated at \$699 million, compared with \$651 million in 1948 and \$600 million in 1947. Expressed as a per-acre figure, the 1949 levies amounted to 61 cents, which compared with the previous record of 58 cents in 1928 and 1929. Related to full values of farm real estate, the 1949 tax levies amounted to \$1.10 per \$100.00, vs. \$1.00 in 1948 and \$0.90 in 1945 and 1946.

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