

Federal Reserve Bank of Dallas

C O T T O N

Cotton prices rose sharply the first two days of this week, stimulated by fear that the hurricane in the Gulf of Mexico might cause damage to the cotton crop, adding to effects of wet weather over many sections of the Belt, severe boll weevil damage in Oklahoma, Texas, and other sections, and continued strong demand for spot cotton.

On Tuesday, August 29, Middling 15/16-inch staple averaged 38.98 cents per pound in the 10 designated markets -- 1 cent above a week earlier but fractionally below the year's high of 39.05 cents reached on July 28.

Mill buying of cotton was moderate in volume the past week with the medium and higher qualities attracting most interest, according to the PMA. Export inquiries increased in the Southwest and far West. Demand was mostly for forward shipment, while sales for export were slightly larger than in the past few weeks.

Cotton ginned from the 1950 crop prior to August 16 totaled 447,000 bales, according to the Bureau of Census. This is 19 percent smaller than the number of bales ginned to the same date last season but substantially above average for this period. Of the 447,000 bales, about 435,000 were Texas cotton.

The CCC sold almost 42,000 bales of 1948-crop pooled cotton under offers opened August 4, 1950, the USDA announced. This brings the total of 1948-crop pooled cotton sold to date to nearly 1.4 million bales.

It is reported that mills and shippers are now turning to the new crop cotton which can be obtained at prices somewhat under CCC figures, and available when bought, while the CCC has 30 days in which to fix prices before transfer of title. Furthermore, as the balance of the 1948-crop stock is mostly middling and irrigated cotton, spot interests are not especially interested in it, preferring to wait for movement of the new crop.

G R A I N S

Prices of grains on the Fort Worth Grain and Cotton Exchange during the past week have shown some strength. On Tuesday, August 29, No. 1 hard wheat sold for a top price of \$2.46-1/4 per bushel -- up 2-1/2 cents from a week earlier. No. 2 red oats, at 94-3/4 cents per bushel, were up 1 cent from last week.

No. 2 white corn sold on Tuesday of this week for a top price of \$2.11-1/2 per bushel -- up 10 cents from a week ago. On the other hand, No. 2 yellow corn, at \$1.65-1/2 per bushel, was off 1 cent from the past week but 2 cents above 2 weeks ago.

Prices of barley and grain sorghums on Tuesday, August 29, reflected no net change from a week earlier, holding at top prices of \$1.42 per bushel for No. 2 barley and \$2.18 per cwt. for No. 2 yellow milo.

L I V E S T O C K

Livestock prices on the Fort Worth market have made only very minor changes during August, possibly reflecting the day-to-day changes in quality of animals marketed rather than variations in market demand. On Tuesday, August 29, hogs sold for a top price of \$24.75 per cwt. -- up 25 cents from a week earlier.

Prices of cattle held steady, except for a decline of \$1.00 per cwt. for calves. Tuesday's top prices: slaughter steers and heifers, \$28.50; cows, \$22.50; calves, \$29.00; and feeder and stocker steers, \$30.00.

Spring lambs sold as high as \$28.00 per cwt. on Tuesday of this week -- unchanged from a week ago.

W O O L

The Australian wool auctions opened this week, and prices ranged much higher than anyone had expected. Bidding at the opening of the market is described by wool marketing experts as "sensational." The shortage of world wool supplies and the desire of some countries -- notably the United States -- to stockpile because of the uncertain international situation are regarded as the principal factors in the high opening prices.

Prices on opening day were 40 to 50 percent above the June levels and edged even higher during the second day. The top price paid on Wednesday, August 30, for greasy Merino was 183-3/4 Australian pence -- about \$1.73 -- per pound. News of price developments in the Australian wool markets is said to have thrown domestic woolen and worsted mills into confusion. Further advances in woolen and worsted piece goods for spring are expected. One large New York City clothing manufacturer said he was forced to withdraw prices from his spring worsted lines until he could determine how much higher piece goods prices will be next spring.

T U R K E Y S

Turkey growers in Texas are raising almost 4.5 million birds this year, or 6 percent more than were raised last year, according to a report from the BAE in Austin. This year's crop is exceeded only by the 4.7 million turkeys raised in 1945 and the record 4.8 million crop in 1932. All size operations show an increase in numbers raised, with a substantial part of the total increase contributed by growers who last year raised less than 100 birds.

The marketing season for the Texas turkey crop probably will be about the same as last year, says the BAE. Growers plan to market slightly more than half the crop in October and November for the Thanksgiving market and about 40 percent of the crop during December for the Christmas market.

U. S. farmers are raising a record crop of 44.6 million turkeys this year -- 6 percent more than last year and 1 percent above the previous peak production of 1945. This is the second year turkey production has increased since the profitable, small crop of 32 million birds in 1948, which brought the highest prices of record.

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

The CCC reported last week that \$3,538 million was invested in price support program loans and inventories as of June 30, 1950, and the Corporation sustained a net realized loss of \$249 million in carrying out this program during the fiscal year then ended.

Prices received by farmers for all milk at wholesale will increase seasonally through the rest of 1950, says the BAE. This will result primarily from increases in fat content of milk, an increased proportion of milk used in Class I outlets, and scheduled increases in prices of milk for fluid consumption.

Total milk production in the U. S. in the first 7 months of 1950 was 74.6 billion pounds, a gain of 2.2 percent over the same period last year. Milk flow will decrease seasonally through the fall of 1950 but is likely to continue larger than a year earlier, especially if pastures continue good.

W. M. Pritchett
Agricultural Economist