Federal Reserve Bank of Dallas

COTTON

Spot cotton prices moved within a narrow range last week but increased significantly during the early part of this week. Prices for Middling 15/16" cotton in the ten spot markets averaged $31.24 cents per pound on Tuesday, January 24, compared with $30.90 cents a week earlier.

Spot markets continued generally active last week and sales were relatively large in volume. Reported sales in the ten markets totaled 263,600 bales, compared with 275,800 bales the previous week.

It was reported last week that mill consumption for the 5-months period, August-December, amounted to 3,600,000 bales, compared with 3,526,000 bales in the corresponding period last season. Consumption for this period was at an annual rate of 8,500,000 bales.

Cotton textile markets were generally active last week. Demand continued strong for some types of goods and price advances were reported for several types of cloth. Most trading was in goods for third quarter delivery but reports stated that some orders for print cloths and broadcloths were booked for delivery as far ahead as December.

The CCC reported last week that U. S. cotton placed under loan through January 12 amounted to 2,632,300 bales, compared with 1,167,300 bales to the corresponding date a year ago. Cotton placed under loan in Texas to this date amounted to 904,733 bales.

Cotton ginned in Texas through January 15 amounted to 5,743,043 bales, compared with 3,049,175 bales one year ago, according to the Bureau of Census.

It was reported last week that milled stocks at the end of December were 1,650,222 bales, compared with 1,455,149 bales at the close of November and 1,650,061 bales at the end of December 1949.

Exports of cotton from all U. S. ports last week amounted to 100,135 bales against 46,620 bales last year, and thus far this season they total 2,067,594 bales as compared with 1,373,682 bales to the same date last year. Stocks of cotton at all ports on January 20 amounted to 2,450,000 bales, compared with 1,542,000 bales on the same date last year.

RICE

The USDA reported last week that rice markets in Texas held generally steady during the week ended January 16 but that demand continued slow. Marketings of rough rice were small and sales in most areas were not sufficient to establish reliable market quotations. Inquiry for milled rice showed a slow improvement in some areas. Prices held steady and some varieties were offered at slightly above the previous week's quotations. Mills made fairly large shipments on previous commitments, according to trade reports.

The volume of trade in milled rice has fallen off considerably, especially in the Cuban market, where buyers are waiting to see whether the Cuban government will double the import duty on American rice, now that the quota is filled. Buyers there have been pressing hard to get shipment of purchases already made and have bought a minimum of additional rice. In the meantime, the Cuban market is well stocked with recent shipments and it is expected that trade will be quiet for some time.

WHEAT

Prices of wheat on the Fort Worth market moved up slightly last week
and early this week, and on Tuesday, January 24, were about 5 cents over a week earlier. Prices for No. 1 Hard ranged from $2.40 to $2.46.

Wheat export business showed an improvement last week but flour demand from abroad was reported to be still lacking. Market response to the export wheat business is largely nullified, however, by the new CCC program of offering its surplus 1948 stocks of feed grains through private export channels at market prices. Wheat was not included in this program and as far as can be learned, it is not expected to enter into this category. However, uncertainties still prevail as to what future course the government agencies will take in their efforts to reduce surplus supplies of grain. Farmers will have until the end of this month to place their wheat under loan; no official reports have been issued concerning the amount of wheat under loan but participation has doubtless been quite heavy.

The USDA announced last week that July-December 1949 exports of wheat and wheat products totaled 168,057,000 bushels equivalent, or 102,584,000 bushels less than during the same period in 1948.

**OTHER GRAINS**

Prices of corn on the Fort Worth market made little net change last week, although they were off about 2 cents during the opening days of this week, or at about $1.65 per bushel for No. 2 White.

Exports of corn and corn products during the last half of 1949 amounted to 614,520,000 bushels equivalent, compared with 21,920,000 bushels in the same period of 1948.

The CCC has included about 100,000,000 bushels of corn to be sold through private exporters for resale abroad at the market prices and this has created considerable uncertainty over the future course of corn prices.

Oat prices on the Fort Worth market last week made no significant net change. However, the 13-1/2 million bushels of oats which the CCC in its recent announcement made available to exporters for foreign consumption reduces the prospects for an improvement in oat prices within the immediate future.

Grain sorghum prices, which have been declining since the first of the year, dropped another 9 cents per bushel last week, and on Tuesday, January 24, the Fort Worth market reported prices of from $2.30 to $2.35 per cwt. - 13 cents below the January 3 prices.

**DISASTER LOAN AREAS**

The USDA announced on the 18th the designation of 11 Texas counties as areas where disaster loans can be made to eligible farmers by the Farmers Home Administration. These counties were in the path of the tropical storm in October.

The counties designated are: Orange, Jefferson, Hardin, Liberty, Chambers, Harris, Galveston, Brazoria, Matagorda, Wharton, and Fort Bond.

**CCC OPERATIONS**

The USDA reported last week that $3,370,190,000 was invested in CCC price-supported loans and inventories as of November 30, 1949, and that the Corporation sustained a net realized loss of $61,713,000 in carrying out this program during the current fiscal year through November.

The USDA announced on Thursday of last week that CCC is taking steps to insure the availability of enough storage facilities to handle about 450 million bushels of grain to which the Corporation is expected to take title this spring. The CCC now has about 40 million bushels capacity empty and free for use. Pleas for help are being directed to national cooperative and other commercial storage organizations.
FEED MARKETS

The markets for feedstuffs turned downward during the week ended January 17, influenced principally by slow demand, mild weather in important feeding areas, and plentiful supplies of relatively cheap feed grains. Feedstuff prices during the first half of January averaged about 10 percent below the same period a year ago and 38 percent below two years ago, while feed grain prices were 10 percent under last year, and 55 percent below January 1948, when both feed grains and feedstuff prices were at a record high level.

LIVESTOCK

Livestock prices on the Fort Worth market made minor changes last week and on Tuesday, January 24, a slight increase was indicated for hogs over a week earlier, while minor declines had occurred in prices received for slaughter heifers, calves, and lambs.

The number of cattle on feed for market in the U. S. on January 1, 1950 was slightly larger than a year earlier and the largest on record, according to a report issued last week by the BAE. The number is placed at 4,552,000 head, or 22,000 more than last year.

The number on feed in Texas was estimated at 161,000, the largest in many years, while the numbers were off substantially in Oklahoma, Arizona, and New Mexico.

The number of sheep and lambs on feed for market in the U. S. on January 1 was 7 percent less than last year. The number was estimated at 3,733,000 head, the smallest number since 1922. Substantial increases are reported for Oklahoma and Texas, and declines for Arizona.

POULTRY

The poultry market continued to show evidences of weakness last week, particularly with regard to prices of hens.

Commercial hatcheries in Texas produced 2,500,000 chicks during December, according to the BAE report of January 19. This hatch was 1/6 less than that of December 1948 but the largest on record for this month in any other year. Non-broiler hatch during 1949 increased 10 percent over 1948, while the output of broiler chicks was up 40 percent.

Turkey growers in the U. S. will increase slightly their production of turkeys in 1950, if they carry out their intentions as indicated in a BAE survey. This would give a crop of some 42,000,000. Texas farmers, on the other hand, have indicated that they may reduce their turkey production as much as 13 percent.

Production of eggs is increasing seasonally but as last week's demand was off from previous weeks, some dealers began putting eggs in storage in fairly large quantities for this time of the year.

The government purchased 1,530,490 pounds of dried eggs last week under the 1950 price support program.

WOOL AND MOHAIR

Little activity was reported last week in Texas wools but contract prices for mohair advanced 3 to 4 cents per pound over the previous week. Some 12-months wool was bought in Texas the past week at $1.55 to $1.60 per pound, clean basis.

Foreign wool markets continued to advance last week with some increases as much as 15 percent above quotations when sales were resumed after the holidays.

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