

Federal Reserve Bank of Dallas

C O T T O N

The Secretary of Agriculture this week lifted all cotton acreage and marketing controls for 1951. This announcement was made as the nation faced a rapidly dwindling cotton supply and growing domestic and export demands brought on largely by the Defense Program. The Secretary set a production goal of at least 16 million bales to be produced in 1951. Texas' share of this goal will be about 6 million bales.

Spot cotton prices have fluctuated within a narrow range during the past 10 days. The 10-market average price of Middling 15/16 inch cotton has held between 40 and 41 cents per pound, or slightly below the season's peak of 41.20 cents reached on September 25. Prices are about 20 percent above the late June level.

Sales activity in the spot markets last week was at a seasonally high level, according to PMA. Reported sales in the 10 markets totaled 398,500 bales, compared with 326,900 bales the previous week. Inquiries and offerings increased. Mill demand continued good for both prompt and forward shipment. Foreign demand was strong in the Southwest and far West.

Movement of the new crop in the Southwest began to gain momentum last week after weather conditions improved. In central Texas, cotton harvest made good progress with favorable weather, but in north, east and west Texas and in Oklahoma, harvest was retarded by rains. In these sections the cotton crop is maturing very slowly. Insect infestation is very heavy in all sections of the area.

The PMA reported this week that cotton harvest in the Austin area is 60 percent to 90 percent complete. Harvest in the central portion of the Black Land area from McLennan County to Dallas County varies from 35 percent to 65 percent complete. Pickers are adequate in most areas and are being paid from \$1.25 to \$2.00 per cwt. for picking.

Cottonseed prices in the Southwest last week ranged from \$85 to \$95 per ton.

Upland cotton in the U.S. carry-over on August 1, 1950 averaged slightly higher in grade than a year earlier, but was a little shorter in average length, according to a report released last week by the USDA. The grade index of this year's carry-over was 96.1 (Middling White = 100), the highest for any other year since 1941. The average staple length was estimated at 33.0 thirty-seconds inch, or the longest on record with the exception of 1949.

In a USDA study of farm-retail price spreads for a group of 42 cotton articles, and covering 1948, 1949, and the first half of 1950, it was found that for each dollar spent by consumers for these articles, cotton farmers received about 12 to 13 cents.

G R A I N S

Trends in grain prices on the Fort Worth Grain and Cotton Exchange during the past week have been mixed; prices of some grains have risen while others have declined. On Tuesday, October 3, No. 1 hard wheat sold for a top price of \$2.48 per bushel, compared with \$2.43 a week earlier and \$2.44 a month ago.

No. 2 barley sold Tuesday for a top price of \$1.47 per bushel--2 cents under a week earlier, but 2 cents above a month ago. No. 2 red oats at 99-1/4 cents per bushel were up 2 cents from a week earlier and 3 cents higher than on the same date last month.

No. 2 yellow corn made no net change during the past week, holding at a top price of \$1.65-1/2 per bushel. No. 2 white corn, on the other hand, fell 50

cents a bushel during the past week, or to \$2.01-1/2 top price. Grain sorghums at \$2.07 per cwt. were off 5 cents from Tuesday of last week.

The USDA reported last week that through August, 1950, U.S. farmers had put 70.3 million bushels of 1950-crop wheat, barley, oats, rye, grain sorghums and flaxseed under CCC price support. The corresponding figure a year earlier was 188 million bushels. Texas farmers had put nearly 1.9 million bushels of wheat under support, most of which was under loan and stored in warehouses, although smaller quantities were either under loan and farm-stored or were under purchase agreements.

The Secretary of Agriculture is asking wheat farmers to produce 150 million more bushels of wheat next year, or a total crop of 1,150 million bushels. Before the Korean War started, he asked for 60 to 65 million acres, but has raised the figure to 72.8 million acres.

### L I V E S T O C K

Livestock prices on the Fort Worth market continue to make seasonal adjustments in line with earlier expectations. On Tuesday of this week hogs sold for a top price of \$20.00 per cwt., reflecting a seasonal decline of \$1.25 from a week earlier and about \$4.00 from a month ago.

Cattle prices for the most part have held steady for several weeks, although some downward seasonal adjustment appears to be under way. During the past week, slaughter heifers, cows and calves declined 50 cents per cwt. each. Slaughter and feeder-and-stocker steers continue to hold at \$30.00 per cwt., top price.

U.S. meat production under Federal inspection for the week ended September 23, the most recent week for which data are available, totaled 328 million pounds. A large increase in hog slaughter, together with increases in other species, brought total production up 6 percent above the production of the preceding week and 11 percent above production in the same week last year. This larger hog slaughter and the expectation of a large production of pork during succeeding weeks played an important part in the downward adjustment in hog prices in Fort Worth during the past several weeks.

The USDA is urging farmers to expand livestock production as rapidly as possible to meet the large demand that is expected to result from the expanded economic activity associated with the Defense Program. This year's beef production has amounted to about 63 pounds per person, but the USDA would like to see 65 or 66 pounds produced per person next year. Department officials would like also to see pork production increased from this year's 70 pounds per person to perhaps 73 to 75 pounds per person in 1951.

### W O O L   A N D   M O H A I R

The wool market in the Southwest ranch country and at Boston was relatively quiet the past week, but prices maintained the previous week's levels, according to PMA. Small supplies of domestic wool and slightly easier foreign markets combined to limit trading.

One car of light shrinking 12-months wool sold in Texas at \$1.04 per pound, grease basis. The estimated clean cost of this wool ranged from \$2.20 to \$2.25 per pound delivered to Boston.

In the Texas Hill Country, contracts for 1951 spring mohair clip still brought \$1.00 to \$1.01 per pound for adult and \$1.25 to \$1.26 for kid hair.

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