

Federal Reserve Bank of Dallas

C O T T O N

Cotton prices have declined for the past several market days, and are lower than at any time in more than a month. On Tuesday, October 10, the 10-market average price for Middling 15/16 inch cotton fell to 39.94 cents per pound--the first time below 40 cents since September 5. However, prices are more than 10 cents per pound above a year ago.

The Government this week restricted cotton exports to all countries other than Canada. Exports will be limited to 2 million bales, excluding shipments to Canada, during the 8-month period ending next March 31. At this rate exports during the 12-month marketing season ending next August 1 will be only about half those of last season.

Harvest of the Texas cotton crop is progressing rapidly upstate and a heavy movement is expected by the middle of the month in north and western Texas and western Oklahoma, if weather conditions permit. The PMA reported on October 6 that harvest in the Austin area was 75 to 95 percent complete. In the Wharton-Ft. Bend section, harvest was 99 percent complete and the pink bollworm quarantine authorities have asked for a voluntary plow-up date of October 15. In the central Blackland section from McLennan County to Dallas County harvest was from 35 to 65 percent complete.

The PMA reports that demand for spot cotton last week continued to be very good, but some sections of the Southwest area reported that the demand is easing some, due largely to the grade of cotton now being marketed. The demand for Middling and better grades is excellent, but the supply of these qualities is very limited.

Cotton ginnings in Texas through September 30 totaled slightly over 1 million bales, compared with a little more than 2 million bales to the same date last year, according to the Bureau of Census. Cotton ginnings in the State through this date averaged higher in grade and longer in staple length than that ginned through the corresponding period last season.

The October 1 USDA estimate of cotton production in Texas in 1950, placed at 2,775,000 bales, was unchanged from a month earlier. The U.S. figure, however, was lower by 13 thousand bales, or down to 9,869,000 bales.

The President has issued a proclamation modifying quota restrictions on imports of long staple cotton to permit entry of an additional 1.5 million pounds during the remainder of the current quota year ending January 31, 1951. The regulation of imports of long staple cotton by quota was established in 1939 under Section 22 of the Agricultural Adjustment Act which authorizes import quotas on agricultural products when necessary to prevent interference with domestic agricultural programs.

Of the 3.2 million bales of 1949-crop cotton placed under loan, the CCC on September 28 held notes covering only 125,000 bales.

G R A I N S

Prices of wheat, barley and oats declined on the Fort Worth Grain and Cotton Exchange during the past week, while corn held steady and grain sorghums advanced slightly.

On Tuesday, October 10, No. 1 hard wheat sold for a top price of \$2.45-1/2 per bushel, or 2-1/2 cents below a week earlier. No. 2 barley, at \$1.14 per bushel, was off 3 cents, while No. 2 red oats, at a top price of 98-3/4 cents per bushel, were off 1/2 cent.

No. 2 yellow milo sold as high as \$2.10 per cwt. on Tuesday--3 cents over a week earlier but 3 cents under a month ago. Tuesday's top corn prices: No. 2 yellow, \$1.65-1/2; and No. 2 white, \$2.01-1/2 per bushel.

Corn price support rates for the 1950-crop, ranging from \$1.36 to \$1.64 per bushel in commercial corn counties and from \$1.02 to \$1.30 per bushel in non-commercial corn counties, have been announced by the USDA. These rates average \$1.47 per bushel, vs. \$1.40 a year ago. Support for corn prices is available at 90 percent of parity to farmers in the "commercial" area who comply with acreage allotments. For the "non-commercial" area, where acreage allotments are not in effect, the law limits support to only 75 percent of the 90-percent-of-parity level.

L I V E S T O C K A N D M E A T

Cattle prices on the Fort Worth market weakened early this week. All classes sold Tuesday from \$1.00 to \$1.50 per cwt. under a week ago. Tuesday's top prices: slaughter and feeder-and-stocker steers, \$29.00; heifers, \$28.00; calves, \$27.00; and cows, \$20.50 per cwt.

While the general downward seasonal trend in prices of hogs continues, the market is showing some irregularity, with the result that Tuesday's top price of \$20.25 per cwt. was 25 cents over a week earlier.

Meat production by commercial plants in Texas during the month of August totaled 68.8 million pounds, 4 percent more than during July and 5 percent above August 1949, according to a report from the BAE office in Austin. Commercial meat production during the first 8 months of this year amounted to about 520 million pounds, vs. 494 million pounds for the comparable period a year ago.

Commercial meat production in the U.S. during the first 8 months of this year was 2 percent above the production for the same period last year.

W O O L A N D M O H A I R

Contracting on a limited basis of better, light-shrinking 12-month wool was reported in Texas at 85 cents per grease pound the past week, with the estimated clean cost delivered at Boston at around \$2.20 per pound.

An easier tone was reported in foreign wool markets the past week. Prices were down as much as 15 percent since opening of Australian auctions in August. South African conditions were similar, but the best fine wools generally held firm in South America.

Some sources estimate that possibly 1/2 of the 1951 spring mohair clip in Texas has been contracted at prices ranging up to \$1.01-1/2 for adult hair and \$1.26-1/2 for kid hair. One spot sale of West Texas mohair was made last week at \$1.07 for adult hair and \$1.32 for kid hair.

P O U L T R Y A N D E G G S

Prices in the Dallas Wholesale Poultry and Egg Market, advancing seasonally, made some of the sharpest advances during the past week that have been experienced since June and July. Prices of hens on Tuesday were up 2 to 5 cents per pound as compared with a week earlier, with birds 4 pounds and over bringing 24 cents; those weighing 3 to 4 pounds, 18 to 20 cents per pound.

Candled No. 1 mixed eggs at 42 cents per dozen are up 5 cents. No. 2 infertile eggs are bringing 45 cents per dozen--up about 8 cents from a week ago.

Prices paid for fryers, on the other hand, have declined slightly during the past 2 weeks. Arkansas fryers are bringing 28 cents per pound, while local fryers are 1 to 3 cents lower.