Federal Reserve Bank of Dallas

COTTON

Cotton prices are very unsettled. Following the USDA's October 10 announcement which placed cotton exports under quotas for the next few months, the market broke sharply, falling more than 2 cents per pound within a week. On Tuesday of this week, however, the Secretary of Agriculture stated that there will be a change in the export quotas should conditions alter as the season progresses. Prices rose immediately, regaining most of the previous losses, with Middling 15/16-inch cotton closing at 39.76 cents per pound.

Southwestern spot cotton markets were less active during the past week, according to the PMA. Weather conditions were ideal for harvesting, and movement of the crop began to make good progress. In the Lubbock area, about 200 gins processed their first bales of the season.

Wagon lot prices for cottonseed at Texas gin points ranged last week from $85 to $100 per ton, with an average price of $88.80 per ton, compared with an average price of $37.80 a year earlier.

Production of cottonseed in the U.S. this year will approximate 4 million tons, if the ratio of lint to cottonseed is the same as the 1945-49 average; production last year totaled 6.6 million tons.

Crude cottonseed oil sold at Texas common points on Tuesday at 17-1/2 cents per pound, compared with a peak of 19 cents per pound on September 1.

GRAINS

Prices of grains on the Fort Worth Grain and Cotton Exchange have made only moderate changes during the past week. No. 1 hard wheat sold Tuesday, October 17, for a top price of $2.41-1/4 per bushel--down about 4 cents from a week earlier. Sorghum grain, at $2.15 per cwt., was up 5 cents. White corn brought $1.81-1/2 per bushel--20 cents below the same day last week; yellow corn, at a top price of $1.62-1/2, was off 3 cents. Oats and barley made virtually no net changes.

Rice markets in Texas have shown little change in prices of rough and milled rice during recent weeks. Export demand is limited.

The Texas corn crop is estimated by the USDA at 65.7 million bushels, vs. 58.2 million last year. Sorghum grain production, placed at 121 million bushels, is up 28 million. The Texas rice crop of 10.9 million cwt. is up 0.7 million.

LIVESTOCK

Livestock prices on the Fort Worth Market rose sharply the first two days of this week. Tuesday's top price for hogs was $21.50 per cwt.--up $1.25 from a week earlier, contrary to the expected seasonal decline. The top price a year ago was $18.25.

Cattle prices on Tuesday were up from $1.00 to $1.50 above a week earlier. Tuesday's top prices: slaughter steers, $30.50; heifers, $29.50; cows, $22.50; and calves, $28.50. These prices are from $2.50 to $5.00 per cwt. over a year ago.

Recent developments in the cattle feeding situation point to a continued high volume of cattle feeding this season. However, the price of feeder cattle, at record levels, is causing a cautious attitude by both cattle feeders and financing groups. Feeder-and-stocker cattle sold Tuesday in Fort Worth for a top price of $30.00 per cwt., vs. $23.00 a year ago.

The number of sheep and lambs to be fed for winter and spring market is expected to be smaller than the number fed last year. A smaller supply of lambs
and a broad demand for breeding stock are the principal reasons for the reduction in lamb feeding. Feeder lambs sold this week in Fort Worth for a top price of $28.00 per cwt., which probably is a record high for this season of the year.

WOOL AND MOHAIR

Trading in the local wool markets in Texas was dormant last week, while a little contracting of 12-months wool for 1951 shearing continued on the basis of $2.05 clean delivered in Boston, reports the PMA. Fall wool was purchased at grease prices ranging from 76-1/8 cents to 83-1/3 cents, f.o.b., which was estimated to be from $1.68 to $1.75, clean basis, delivered in Boston.

Contracting of the spring 1951 mohair clip in Texas continued last week on a minor scale at $1.01-1/2 for adult and $1.26-1/2 for kid hair.

POULTRY AND EGGS

The Dallas Wholesale Poultry and Egg Market has remained steady during the past week, except for a decline in the price of hens. Birds weighing 3 to 4 pounds sold Tuesday for 15 to 17 cents per pound--3 cents under a week earlier. Heavier hens at 22 cents were off 2 cents per pound.

The USDA reportedly has been considering a request by representatives of the National Turkey Federation for price support for turkeys. Turkey prices have declined sharply, particularly in some states, in recent weeks. This year's crop of more than 11 million turkeys is the largest in history, but officials say that the trend is toward marketing them at light weights and the turkey tonnage may not be as heavy as in some past years.

MISCELLANEOUS

The Texas grapefruit crop for the 1950-51 season is estimated at 12 million boxes--almost double the 6.4 million boxes harvested last year. Orange production is estimated at 3.5 million boxes, twice last season's harvest. The citrus groves have made surprising recovery from the effect of the severe freeze of 1949.

The commercial late fall snap bean crop in Texas is estimated at 125,000 bushels, off 50,000 bushels from last year. The 94,000 bushel fall eggplant crop is down 6,000 bushels. Production of green peppers is placed at 592,000 bushels--off 54,000 bushels.

Credit controls affecting loans for farm houses made by Farmers Home Administration have been announced by the USDA. Where credit is needed for constructing or repairing a farm house exceeds $2500, a loan may not be made for the full amount, and the maximum repayment period has been shortened.

Farm wage rates for hired farm workers in the U.S. averaged 59 cents per hour about the first of October, 2 cents above a year earlier. There were about 1 million fewer persons working on farms during the week of September 17-23 than a year ago, owing to the reduced labor requirements for harvesting the small cotton crop.

Feedstuff markets were unsettled during the week ended October 10 and prices of most feeds showed further declines, reports the PMA. Demand was generally slow, influenced principally by large supplies of locally grown grains and good fall pasturage in important feeding areas. The index of wholesale feedstuff prices declined to 213.2 compared with 214.0 a year ago. The feed grain index dropped to 207.7 compared with 178.1 a year earlier.

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