

Federal Reserve Bank of Dallas

P E A N U T S

The USDA announced last week a marketing quota of 650,000 tons of 1951-crop peanuts, and a national allotment of about 1.8 million acres. Of this acreage allotment, Texas receives 376,700 acres, compared with an original allotment of 451,200 acres this year; Oklahoma gets 153,300 acres, compared with 183,600 this year. Small acreages go also to Arizona, Louisiana, and New Mexico.

The USDA announced also that a referendum on marketing quotas for 1951, 1952, and 1953 peanut crops will be held December 14, 1950. A two-thirds favorable vote in a referendum is required for quotas to be in effect.

C O T T O N

Cotton prices rose last week to the highest level since the sharp break following the announcement of export controls. Middling 15/16-inch cotton last Saturday averaged 40.63 cents per pound in the 10 designated markets, compared with the "low" of 37.87 cents on October 16. Prices on Monday and Tuesday were off a few points from last week.

Ginnings in Texas through October 17 totaled 1.4 million bales, or about 50 percent of the crop, compared with 45 percent to the same date last year. Of the cotton ginned thus far this season 16.4 percent is graded Strict Middling, vs. 11.8 percent last year; Middling comprised 47.5 percent, vs. 42.4 a year ago; Strict Low Middling, on the other hand, accounted for only 19 percent, vs. 26.5 percent in 1949.

Ideal weather conditions continued to prevail over the Southwestern area during the past week, and cotton harvesting made excellent progress. If present weather conditions continue for another 3 weeks, about 75 percent of the crop will be harvested, according to PMA.

World cotton production in 1950-51 is currently forecast at about 27 million bales. This compares with 31.2 million bales last season and a prewar (1935-39) average of about 31.7 million bales. The sharp reduction of about 6-1/4 million bales in the United States crop is only partially offset by a prospective increase of around 2 million bales in other cotton-producing countries.

Wagon lot prices for cottonseed at Texas gin points last week ranged from \$80.00 to \$95.00 with an average of \$90.50 per ton, up 20 cents from the previous week, according to PMA. A year ago the average price was \$42.90 per ton.

G R A I N S

Grain prices rose on the Fort Worth Grain and Cotton Exchange during the past week. The top price for No. 1 hard wheat on Tuesday, October 31, was \$2.47 per bushel--up about 3 cents from a week earlier and 10 cents over a year ago.

No. 2 barley sold on Tuesday for \$1.48 per bushel--up 4 cents from a week earlier and 12 cents over a year ago. No. 2 white oats brought \$1.02-1/2 per bushel.

Tuesday's top price for No. 2 yellow corn was \$1.69-1/4 per bushel--up about 5 cents from a week ago; No. 2 white corn at \$1.89 was up 2-1/2 cents. No. 2 yellow milo brought \$2.25 per cwt.--5 cents over a week earlier and 6 cents above the same date last year.

Milled rice sold last week at Texas and Louisiana common points as follows: Zenith, \$9.75; Patna, \$11.50; and Blue Bonnet, \$11.35 per cwt.

The USDA reports that through September 1950, U.S. farmers placed 128 million bushels of 1950-crop wheat, barley, oats, rye, flaxseed, soybeans, corn,

and grain sorghums under CCC price support. The figure a year ago was 298 million bushels. Of the total quantity of these crops placed under support this year, wheat accounted for 101 million; barley, 15 million; and oats and grain sorghums, 5 million bushels each.

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

Livestock prices on the Fort Worth market continue to show very little change. Hogs sold Tuesday, October 31, for a top price of \$20.25 per cwt.--up 25 cents from a week earlier. The price a year ago was \$18.00.

Cattle prices held steady during the past week. Tuesday's top prices, with changes from a year ago: slaughter steers \$30.00, up \$2.00; heifers \$29.00, up \$2.00; calves \$28.00, up \$5.00; cows \$23.00, up \$7.00; and feeder-and-stocker steers \$30.00, up \$7.50 per cwt.

Wooled lambs grading Medium and Good sold Tuesday for a top price of \$29.00 per cwt., up \$1.00 from a week earlier.

Meat production is expected to increase next year, says the USDA in its outlook issue of "The Livestock and Meat Situation." Production in 1951 will be sufficient to supply somewhat larger military requirements and also provide for a civilian consumption of about 3 pounds more per capita than the 145 pounds expected to be consumed in 1950. Practically all the increase in meat production next year will be in beef and pork. Little change is likely in production of veal or of lamb and mutton.

New defense activities probably will mean larger consumer incomes and stronger demand for meat next year, the report continues, but prices of meat animals may be only moderately higher than in 1950, since the larger production in prospect will be an offsetting influence.

#### W O O L

Contracting of 12-months wool continued on a small scale in Texas last week. However, some 1951 12-months wool was contracted this week in the Kerrville area at prices ranging up to \$1.00 per pound, grease basis.

Domestic production of shorn and pulled wool in the U.S. in 1951 is likely to be slightly less than this year, says the USDA. Production of shorn wool probably will be around 210-215 million pounds, grease basis, which would be the smallest since 1879. Stock sheep numbers at the beginning of the year probably will be nearly the same as on January 1, 1950.

Consumer demand for wool goods in the U.S. next year is likely to continue strong. A considerable increase in military requirements in the U.S. and other countries also seems likely. Even though wool prices will be higher next year, mill consumption in the U.S. probably will increase slightly.

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

The BAE index of farm prices in the U.S. declined from 272 to 268, or 1.4 percent, during the month ended October 15--the first decline in the monthly index since December 1949. A sharp decline in hog prices and moderate reductions in prices of most crops accounted for the down-turn.

Texas Ruby Red grapefruit in nailed boxes sold at auction in Chicago last Friday at an average of \$6.70 per box. Texas White Seedless in wirebound boxes brought an average of \$4.24 per box.

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