Federal Reserve Bank of Dallas

C O T T O N

Cotton prices have been relatively stable during the past week. On Mondat, November 6 (markets were closed on election day, November 7) Middling 15/16-inch cotton averaged 40.23 cents per pound in the 10 designated spot markets, compared with 40.24 cents a week earlier.

The USDA announced that, effective December 4, the cotton market at Atlanta, Georgia, will become one of the 10 designated spot cotton markets, replacing Savannah, Georgia. The purpose of these changes is to improve the spot cotton market quotations and news services of the USDA. The changes were recommended by American Cotton Shippers Association and Atlantic Cotton Association principally on the basis that the volume of cotton handled at Savannah is no longer sufficient to warrant its continuance as a designated spot market.

Activity in the southwestern spot cotton markets slackened during the past week and the volume of spot trading decreased, according to the PMA. Inquiries from domestic and export sources were not as numerous as in past weeks. The area experienced another week of ideal weather and cotton harvest made good progress, however.

Producers are reported selling current ginnings freely. An insignificant quantity of 1950-crop cotton has been placed under loan.

Cottonseed prices at gin points in Texas ranged last week from $85.00 to $110.00 per ton, with an average price of $92.90 per ton, compared with $43.50 a year ago. Prices in Oklahoma ranged from $70.00 to $100.00 per ton, with an average of $89.90 per ton. The quality of seed continues to be excellent in both Texas and Oklahoma.

The Mexican government on October 31 proclaimed a ban on all exports of cotton pending an appraisal of domestic mill requirements and export availability. It was stated that the export prohibition would remain in effect for about ten days at which time an announcement is expected concerning the imposition of cotton export quotas.

G R A I N S

Grain prices on the Fort Worth Grain and Cotton Exchange have risen during the past week due in part, according to trade reports, to the unfavorable war news from Korea. On Monday, November 6, No. 1 hard wheat sold for a top price of $2.49-3/4 per bushel, vs. $2.46-1/4 a week earlier. No. 2 white oats at $1.09 per bushel were up 7 cents from a week ago.

No. 2 barley sold Monday for a top price of $1.51 per bushel, 3 cents over a week earlier and the highest price in more than a month. No. 2 yellow corn brought $1.76-1/2 per bushel--up 8-1/2 cents for the week and the highest since mid-August. No. 2 white corn sold as high as $1.94-1/2 per bushel--up 3 cents for the week.

No. 2 yellow milo sold for a top price of $2.29 per cwt., compared with $2.25 a week earlier and $2.09 a month ago.

The Secretary of Agriculture has announced that there will be no marketing quotas in effect for the 1951 corn crop and that acreage allotments for this important feed grain will be set at levels high enough to provide a substantial increase in production next year. Specific corn acreage allotments, which apply only in the designated commercial producing areas, will be determined and announced later in the winter.

Rice markets have strengthened during the past two weeks. Milled rice sold at Texas and Louisiana common points last week as follows: Zenith, $10.00; Patna, $11.75; and Blue Bonnet, $11.50 per cwt.

L I V E S T O C K

Cattle prices on the Fort Worth Market continue near the highest levels of the year. On Tuesday, November 7, slaughter steers sold for a top price of $30.50 per cwt.--up 50 cents from a week earlier and compares with $28.00 a year ago. Other classes, and comparisons with a week earlier: slaughter heifers, $30.00, up $1.00; cows, $23.00, unchanged; and calves, $28.50, up 50 cents.

The demand for feeder and stocker steers is still exceptionally strong. The top price in Fort Worth Tuesday was $31.00 per cwt., vs. $30.00 a week earlier and $22.50 a year ago.

Prices of hogs, on the other hand, have shown further seasonal decline. The top price on Tuesday was $19.50 per cwt., compared with $20.25 a week earlier and $23.25 two months ago.

The lamb market is holding relatively steady with Good and Choice slaughter lambs bringing $28.00 to $29.00 per cwt. Feeder lambs moved this week at $23.00 to $28.25 per cwt.

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

Business in Texas wool was dormant in local markets the past week, according to the PMA. There was contracting of 8-months wool in Texas at around 85 to 87 cents; 12-months clips brought around $1.00, grease basis. The 12-months wool was estimated to cost around $2.20 to $2.22 per clean pound, delivered to Boston. A fair weight of spot 12-months wool was sold in Texas at $1.02 per pound, grease basis, f.o.b.

Activity was generally slow in the Boston wool market last week, but a slight improvement was noted over the previous week. Very little domestic worsted wool was available. Prices continued very firm and rising.

Australian wool markets opened very strong, with continental interests, Russia and England as principal operators, and with some participation by the U.S.

The mohair market was practically at a standstill in Texas last week as warehouse men asked higher prices; trading in the Boston market was dormant.

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

The BAE mid-October index of prices received by Texas farmers for agricultural commodities dropped 4 points (or over 1 percent) from the record high level reached in September. This was the first decline in the monthly index since last December and resulted chiefly from lower prices than a month earlier for cotton, hogs, beef cattle and veal calves.

Stocks of 36.7 million bushels of flaxseed were stored in all positions in the United States on October 1, 1950, according to reports assembled by the BAE. This total compares with 51 million bushels a year earlier and 44.6 million bushels 2 years ago.

The CCC announced last week that over $3,014 million was invested in CCC price-support loans and inventories as of September 30, 1950. Of the total investment, loans outstanding total $841 million, while inventories acquired under price-support operations represented an investment of $2,173 million.

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