AGRICULTURAL NEWS OF THE WEEK

Federal Reserve Bank of Dallas

COTTON

The USDA announced last week an increase of 1,350,000 bales in cotton export allocations for the period ending March 31, 1951. The initial allocation for all countries, except Canada, was set at 2 million bales on October 10. An increase of 1,166,000 bales was announced on October 23. This latest increase brings the interim export allocation to 3,496,000 bales.

The cotton market advanced sharply after the announcement of increased export allocations, reaching more than 1 cent per pound above the September peak. On Tuesday, October 14, Middling 15/16-inch cotton averaged 40.32 cents per pound in the 10 designated markets, compared with 40.23 cents on the 6th and 40.34 two weeks ago.

Southwestern spot cotton markets during the past week followed closely the activity of the preceding week, according to the PMA. Domestic and export inquiries were not too numerous. Spot prices increased but the volume of spot sales decreased.

The Texas cotton crop is now expected to total 2,950,000 bales, according to last week’s USDA report based on November 1 conditions. This estimate, which is 175,000 bales above the October forecast, reflects an improvement in production prospects in the late maturing areas, particularly the High and Low Rolling Plains.

The U.S. cotton crop is forecast at 9,945,000 bales—a gain of 46,000 bales from a month ago, due to improved production prospects west of the Mississippi River.

The Bureau of Census reports that 6.5 million bales, or 65 percent of the estimated 1950 crop, was ginned prior to November 1, vs. 60 percent a year ago.

The average staple length of upland cotton ginned in the U.S. prior to November 1, 1950 was the longest on record, according to the PMA. Cotton ginned to this date averaged 33.1 thirty-seconds inches in length, compared with 32.7 thirty-seconds a year ago and the previous record of 32.8 thirty-seconds in 1946.

Weather conditions over the Southwest area were ideal for cotton harvesting during most of the past week. Two cold fronts accompanied by high winds came on Wednesday and Friday, causing sharply lower temperatures. The colder weather sent many harvest hands back to south Texas and some reportedly asked for increased wage rates.

The quality of cottonseed coming from Texas and Oklahoma gins continues to be excellent, reports the PMA. Wagon lot prices in Texas last week averaged about $98.40 per ton, while the comparable figure in Oklahoma was $94.70. These prices are more than double those of a year ago.

The USDA announced a CCC offer to purchase and stockpile limited quantities of American-Egyptian cottonseed of Ansac and Pima 32 varieties. This action is being taken in order to safeguard the supply of such cottonseed for future planting purposes and to place farmers in a position to increase domestic supplies of extra-long staple cotton on short notice if a need should arise in the interest of national security. The purchase rate for registered and certified seed will be $60.00 per ton above the gin-yard price to producers, and rates for other cottonseed will be $45.00 per ton above the gin-yard prices.

Mills report some resistance developing from consumers against high textile prices, and in scattered instances goods are "backing up." However, most mills are sold ahead through the first quarter, and goods based on raw cotton prices will not in general reach consumers until after the turn of the year.
GRAIN

Prices of most grains on the Fort Worth Grain and Cotton Exchange strengthened further during the past week. On Tuesday, November 14, No. 2 yellow milo (grain sorghums) sold for a top price of $2.33 per cwt.--4 cents over Monday of last week (Tuesday of last week was a holiday and the market was closed). During the same period No. 2 yellow corn rose 1/2 cent, or to $1.77 per bushel; No. 2 white corn at $1.98 per bushel was up 3-1/2 cents. No. 2 white oats brought $1.12-1/2--up 3-1/2 cents. No. 2 barley at a top price of $1.54 per bushel was up 3 cents. No. 1 hard wheat brought a top price of $2.48-1/4 per bushel--higher than in most recent days.

LIVESTOCK

Cattle prices on the Fort Worth market are holding firm; prices of most classes are about the same as a week ago. Two exceptions: slaughter cows at $22.00 per cwt. on Tuesday, November 14, were up $1.00, while calves advanced $1.50, or to $30.00 per cwt.

Hog prices continue an irregular seasonal decline, although remaining at around $3.00 per cwt. above prices in comparable weeks of last year. Tuesday's top price was $19.00 per cwt.--50 cents below a week earlier and $1.25 under two weeks ago.

Medium and Good wooled slaughter lambs sold Tuesday for a top price of $28.75 per cwt.--25 cents under a week earlier. One lot of Choice sorted wooled slaughter lambs brought $29.50. Feeder lambs are bringing from $28.00 to $28.00.

Meat production by commercial plants in Texas during the month of September totaled 66 million pounds--4 percent lower than during August but only slightly less than in September 1949--according to last week's BAE report. Production in the State during the first 9 months of this year reached 586 million pounds, or 5 percent above the same period a year ago.

Compared with the same month last year, the number of cattle slaughtered in commercial plants in Texas in September was 4 percent lower, calves slaughtered was down 10 percent, sheep and lamb numbers were one-third lower, while the number of hogs slaughtered was about 17 percent higher. Reflecting the abundance of feed supplies and the improved condition of pastures and ranges, the average live weight of all species was heavier than a year ago.

MISCELLANEOUS.

Honey production in Texas in 1950 will be about 15.9 million pounds, compared with 13.4 million for 1949. Yield of honey per colony is estimated at 50 pounds, vs. 43 pounds last year.

Most Texas peanut farmers received support prices for peanuts last week, although premiums of $3.00 to $5.00 per ton were paid in highly competitive trading locations, according to the PMA. Movement of peanuts to mill was heavier as the weather favored picking and digging in all major producing areas of the Southwest except Oklahoma, where cloudy, threatening conditions prevailed. According to last week's estimate, peanut harvesting in the Southwest was 80 to 90 percent complete. Demand for cleaned and shelled peanuts was light; No. 1 shelled Spanish offerings in car lots sold at 16-1/2 to 16-5/8 cents per pound.

W. M. Pritchett
Agricultural Economist