

Federal Reserve Bank of Dallas

C O T T O N

The Secretary of Agriculture announced on November 24 that the CCC will support the price of 1951-crop upland cotton at 90 percent of the parity price as of August 1, 1951. The price support will be carried out through loans to farmers. The Agricultural Act of 1949 makes price support mandatory for 1951-crop cotton from 75 to 90 percent of parity, when no allotments and quotas are in effect. Because of the urgent need of increasing domestic stocks of cotton the Secretary placed the support level at the maximum of the permissive range.

The cotton market fluctuated considerably during the past week. On Wednesday, November 22, Middling 15/16-inch cotton averaged 43.93 cents per pound in the 10 designated spot markets, which is the highest price paid this year. However, prices have been lower since that date and averaged 43.04 cents on Tuesday, November 28.

There is some disagreement as to whether or not the high prices paid for cotton on Wednesday, November 22, established a new record. On that date prices for December 1950 futures on the New York Cotton Exchange ranged up to 44.14 cents per pound, basis Middling 15/16-inch cotton. The previous "record" on the Exchange was 43.75 cents established in 1920, but at that time contracts were based on Middling 7/8-inch cotton.

Activity in the spot cotton markets of the Southwest was moderate during the past week, according to the PMA. Producers offered current ginnings freely, although some are holding for higher prices.

Domestic mill demand for cotton last week was strong for both prompt and forward delivery. Inquiries from foreign spinners were numerous, but sales for export continued small. Most foreign buyers were reported to be awaiting export allocations and ECA procurement authorizations.

Weather conditions over the Southwest area during the past week generally were favorable for harvest of cotton remaining in the fields. On the High Plains most ginners reported that if weather conditions continue favorable harvest would be in the scrapping stage within two weeks.

Cottonseed prices in Texas and Oklahoma for wagon lot seed, f.o.b. the gins, increased slightly during the past week, according to PMA. The average price in Texas was \$101.30 per ton, vs. \$100.90 per ton a week earlier and \$43.10 a year ago. In Oklahoma the average price last week was \$99.60 per ton.

Prices for crude cottonseed oil in Texas advanced during the past week; on Tuesday, November 28, oil for December delivery sold for 20-3/4 cents per pound.

G R A I N S

Grain prices on the Fort Worth Grain and Cotton Exchange have made only minor changes during the past week. On Tuesday, November 28, No. 1 hard wheat sold for a top price of \$2.46-3/4 per bushel--1/2 cent below a week earlier. No. 2 barley at \$1.55 per bushel was up 3 cents over a week ago.

Tuesday's top prices for corn: No. 2 yellow, \$1.75-1/2 per bushel, about unchanged from a week ago; No. 2 white, \$2.03-1/2 per bushel, up 1 cent.

No. 2 white oats sold Tuesday for \$1.10-3/4 per bushel, or 1-1/4 cents below a week earlier, while No. 2 yellow milo at \$2.28 per cwt. was off 3 cents.

Tuesday's prices as compared with a year ago: wheat, up 3 cents; oats and barley, up 16 cents each; and white corn, up 38 cents per bushel. Grain sorghums were down 2 cents per cwt.

L I V E S T O C K

Cattle and lamb prices on the Fort Worth market have remained relatively steady during the past two weeks, while hog prices have declined seasonally. On Tuesday, November 28, hogs sold for a top price of \$18.25 per cwt., the first time they have failed to sell above this level since May. Hog prices have declined irregularly since a top price of \$24.75 per cwt. was paid in August.

Tuesday's top slaughter cattle prices: steers, \$31.00; heifers, \$30.50; cows, \$23.00; and calves, \$30.50 per cwt. These are at or near the highest levels of the year.

Slaughter lambs sold Tuesday for a top price of \$29.00 per cwt., or 25 cents over a week earlier.

Choice feeder and stocker cattle brought \$31.00, while feeder lambs sold for a top price of \$27.50 per cwt.

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

Eight-months wool was contracted in Texas last week at 90 cents per pound, grease basis, according to PMA. Also, 12-months wool was contracted at \$1.03 per pound.

Mohair business in Boston and in Texas last week was at a standstill.

In reviewing the world apparel wool situation, the latest issue of the World Wool Digest says that total world supplies of apparel wool in the current year--new production plus stocks--are sufficient to permit total world consumption, both military and civilian, at levels consistent with anticipated demand.

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

The USDA has announced that no egg support program will be in effect during 1951. Purchases of dried eggs under the current program will be discontinued as of December 31, 1950. It was stated that experience this year has demonstrated that an attempt to keep government acquisition of this commodity at a level where disposition is possible without substantial loss would require the USDA, under the sliding-scale theory of the existing legislation, to reduce the support to a meaningless level, so it was decided to discontinue support.

Commercial hatcheries in Texas produced 3.9 million chicks during the month of October, according to the BAE office in Austin. This was the largest output on record for the month, and is the fourth consecutive month in which monthly output exceeded previous monthly records. The October output was 35 percent above a year ago.

During the period January through October, hatcheries in Texas produced 58.8 million chicks--6 percent over the corresponding period in 1949.

January-October egg production in Texas this year was about 3 percent above the same period last year.

Prices of poultry and eggs on the Dallas wholesale market have remained relatively unchanged during November. Tuesday's poultry prices: hens, 4 pounds and over, 22 cents per pound; 3 to 4 pounds, 15 to 17 cents per pound. Arkansas fryers are bringing 24 cents per pound, while local fryers are 4 cents less. No. 1 turkey hens are selling for 35 to 37 cents per pound.

Tuesday's egg prices: candled No. 1 mixed, 42 cents; No. 2 mixed, 20 cents; and No. 2 infertile, 45 cents per dozen.

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