Federal Reserve Bank of Dallas

GRAINS

Grain prices on the Fort Worth Grain and Cotton Exchange strengthened further during the past week. On Tuesday, December 5, No. 1 hard wheat sold for a top price of $2.49-3/4 per bushel, up 3 cents from a week earlier, but at the same level as a month ago.

No. 2 barley sold Tuesday as high as $1.58 per bushel—the highest price paid this year, although the same level was reached in September. No. 2 white oats, up 2-1/2 cents over a week earlier, brought $1.13-1/4 per bushel, the highest level quoted this year.

No. 2 yellow corn at a top price of $1.80-3/4 per bushel was up 5 cents from a week ago and higher than at any time since July. No. 2 white corn sold for $2.09-3/4 per bushel, up 6 cents for the week, but below the September level.

Grain sorghum prices are making very little net change from week to week, holding Tuesday at $2.30 per cwt.

The USDA announced last week that shipments of wheat and flour exported recently under the International Wheat Agreement have gone principally to Greece, Mexico, Brazil, Belgium, and Egypt. Cumulative sales for the season up to November 21 against 1950-51 quotas totaled 85.6 million bushels (wheat or wheat equivalent), vs. 23 million bushels to the same date last year.

Total export of U.S. grains and grain products for the July-October period totaled 132 million bushels of grain equivalent, vs. 194 million bushels in the like period of 1949.

The USDA announced last week that through October 1950 farmers had put approximately 189 million bushels of 1950-crop wheat, barley, oats, rye, flaxseed, soybeans, corn, and grain sorghums under CCC price support. The comparable figure a year ago was 354 million bushels. The principal components of the 189 million bushels were wheat 142 million, barley 21 million, oats 10 million, and grain sorghums 11 million bushels.

COTTON

Cotton prices have weakened considerably since the season's peak was reached on November 22. On Tuesday, December 5, Middling 15/16-inch cotton averaged 42.05 cents per pound in the 10 designated spot markets, compared with the high of 43.93 cents in November. The unfavorable news from Korea is said to be the principal factor in the decline in cotton prices.

Government buying under the Defense Program is becoming an important factor in the cotton market, according to the FMA. Quartermaster invitations for bids and contract awards for cotton textile goods are appearing almost daily.

The spot cotton markets of the Southwestern area continued moderately active during the past week. Picking and ginning continued to make excellent progress as very favorable weather conditions prevailed. It is reported that in most of the late producing sections of the area the bulk of the crop will be harvested by December 10 if weather conditions remain favorable.

Export allocations for both hard and soft cotton wastes were established on November 30 in a joint action by the USDA and U.S. Dept. of Commerce. This action was taken under the Defense Production Act of 1950 to conserve essential domestic stocks of these products.

Use of mechanical cotton pickers is bringing sharp reductions in harvesting costs for many farmers in the San Joaquin Valley of California, according to a study
made and reported by the Agr. Exp. Sta. of that state. Harvesting costs last year for 63 representative growers in the Valley using mechanical pickers was $26.17 per bale, including allowances for field waste and grade loss. Cost to pick by hand would have been $45 per bale. The average savings in favor of machine picking on these farms was $18.83 per bale.

Cottonseed prices in Texas and Oklahoma last week reached new "highs" for the season. The wagon lot prices of cottonseed f.o.b. the gins in Texas averaged $103.80 per ton, up $2.50 from the previous week. The comparable price in Oklahoma was $101.70 per ton.

**LIVESTOCK**

Prices on the Fort Worth livestock market have made only minor changes during the past week. Hogs sold Tuesday, December 5, at a top price of $18.50 per cwt., 25 cents over a week earlier but 50 cents under two weeks ago.

Slaughter steers ($31.00) and heifers ($30.50) were unchanged from a week ago. Cows ($32.50) were up 50 cents and calves ($31.50) were up $1.00 per cwt.

Feeder and stocker steers are selling at a top price of $31.00 per cwt.--unchanged for almost a month.

Good and Choice woolled lambs are bringing $29.00 per cwt.

U.S. meat production for steer, heifer, and cow carcasses will be revised, effective Dec. 29. The change includes combining the present Prime and Choice beef grades under the name Prime, renaming the present Good grade as Choice and setting up a new grade to be called Good which will consist of beef from the higher quality young cattle now graded Commercial. Beef from older cattle will continue to be graded Commercial.

**MISCELLANEOUS**

Production of Leptediza seed in Louisiana (170,000 pounds, thresher run) and Oklahoma (1,700,000 pounds) in 1950 fell 13 percent and 11 percent, respectively, below 1949. The U.S. crop is down 34 percent.

Manufacture of dairy products in Texas dropped 20 percent from September to October, according to the Bureau of Business Research, The University of Texas. Production was 6 percent below that of October 1949 and 42 percent under the prewar level for that month.

Prices of manufactured dairy products in the U.S. have increased slightly in the past month or so and are at the highest levels since early 1949. Retail prices of milk have increased a little more than seasonally this fall. These price changes have been translated into slight increases in prices received by farmers. However, feed prices have increased more than dairy prices in the past year.

Mohair was contracted in Texas last week at $1.07 per pound for adult and $1.32 for kid hair. These prices compare with 65 cents and 85 cents, respectively, for last January.

World production of wool in 1950 is estimated at approximately 4,000 million pounds, an increase of 140 million over the 1949 output, according to the USDA. This estimate is about 2 percent above the 1936-40 average.

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