

Federal Reserve Bank of Dallas

C A S H F A R M I N C O M E

Cash receipts from farm marketings in the United States for the first 11 months of 1949 amounted to \$25.2 billion, or \$2.7 billion less than for the same period in 1948, according to a report issued last week by the USDA. In contrast, the comparable figure for Texas was \$1.9 billion, up \$113 million from a year earlier.

C O T T O N

Spot cotton prices advanced about \$2.50 per bale last week; on Thursday, January 26, prices of Middling 15/16" cotton in the ten markets averaged 31.40 cents per pound, the highest level since early August. This price compares with a loan rate of 29.57 cents per pound on the same 10-market average basis.

Fluctuations in the cotton market now are holding within a narrow range as traders generally are awaiting Washington developments concerning CCC selling prices for government holdings of 3.8 million bales of 1948-crop cotton and the announcement of the government's 1950 loan rate, both of which are expected momentarily.

Spot markets continued rather active last week, with sales in the ten designated markets amounting to 260,500 bales, compared with 263,600 bales the previous week and 228,000 bales during the same week last year. Sales to mills continued in volume.

CCC reported last week that 1949-crop U.S. cotton placed under loan through January 19 totaled 2,784,258 bales, an increase of about 152,000 bales from a week earlier. Cotton placed under loan in Texas to this date amounted to 1,002,122 bales.

The supply of Upland cotton (carry-over plus ginnings) totaled 20,854,000 bales at mid-January, compared with 17,125,000 to the same date last season. This season's supply contains about 1/3 less higher grade cotton and nearly 2/3 more Strict Low Middling and Low Middling than last season.

Cotton textile demand continues strong, especially for first and second quarter delivery, although forward buying slackened last week as prices of several popular constructions advanced.

Cotton exports continue in good volume, and there is a lot of cotton yet to be purchased by the ECA countries which have already received grants for that purpose. Exports for the season through January 25 totaled over 2.2 million bales, against less than 1.5 million bales for the comparable period last season.

Loan equities are being purchased in west Texas at from \$2 to \$7 per bale, depending on location and grade.

Reports from Washington indicate that speedy action on the cotton acreage revision bill is expected. If passed, this bill will add some 1.4 million acres to the 21 million acres fixed by the Secretary of Agriculture.

American Egyptian long staple cotton produced in Texas, Arizona, and New Mexico will be exempt from cotton marketing quotas and acreage allotments for 1950.

It is reported that the Mexican Government has authorized the construction of a \$9 million canal to irrigate 600,000 acres of cotton land, the canal to be completed in 1951.

C O T T O N S E E D

Cottonseed prices in Texas for wagon lot seed f.o.b. gins averaged \$44.00 per ton last week, or 10 cents under two weeks earlier.

Cottonseed grades in Texas averaged 99.5 last week, compared with 98.5 two weeks previous.

CCC purchases of cottonseed in the U.S. under its price support program reached 640,000 tons last week -- 617,000 tons in Texas, 16,000 tons in Arkansas, and 7,000 tons in New Mexico.

R I C E

Rice markets continued dull during the week ended January 23, reflecting a slow demand from domestic buyers and lack of any important export outlet other than Cuba. Milled rice prices held about at the previous week's level at the principal milling and distributing centers. Sales of rough rice were too few to indicate market values in the Southern belt.

Official acreage allotments for 1950 are as follows: Louisiana, 557,874 acres, down 7% from last year; Texas, 452,000 acres, down 15%; Arkansas, 339,639 acres, down 13%; and California, 240,721 acres, down 19%.

It was reported last week that rice under support at the end of December totaled 1,600,085 cwt.

W H E A T

Prices of wheat on the Fort Worth market made little change last week, but declined about 2 cents per bushel early this week, or to \$2.37-\$2.43 per bushel.

Crop prospects in the Southwest are still none too favorable as rainfall has been far below normal, and it could be that this country will have difficulty in again duplicating the 1948 and 1949 production.

It was announced last week that stocks of wheat in all positions in the U.S. on January 1 totaled 908 million bushels, compared with 801 million a year earlier. At the same time, about 313 million bushels of 1949-crop wheat were under the support program.

Sales of U.S. wheat under IWA (International Wheat Agreement) from August 1 through January 24 amounted to 49,600,000 bushels.

The Senate Agriculture Committee has decided to move ahead with an investigation of the use of ECA funds to buy wheat in Canada instead of in the U.S.

C O R N

Prices of corn on the Fort Worth market made no significant change last week but were off about 2 cents early this week.

Stocks of corn in all positions in the U.S. on January 1 totaled over 2.8 billion bushels, compared with less than 1.6 billion bushels a year earlier, according to last week's USDA report. Of this quantity on hand, 278 million bushels were CCC stocks of 1948-crop corn.

O T H E R G R A I N S

Prices of oats in Fort Worth have been holding steady for the last several weeks. Stocks of 876 million bushels on hand January 1 were about normal, although up 100 million bushels from a year earlier.

Prices of grain sorghums in Fort Worth were unchanged last week, but off 2 cents per cwt. this week to \$2.28-\$2.33, 15 cents under a month ago. Stocks on hand January 1 totaled 112 million bushels, more than double last year's figure.

L I V E S T O C K

Livestock prices on the Fort Worth market are holding more or less steady, with no particularly important changes reported except for hogs, which are selling at about \$1.50 per cwt. over a month ago, or about \$17.50 top prices.

Weekly receipts of cattle and hogs in Fort Worth are running above comparable weeks of last year, but marketings of sheep and lambs are falling far behind.

Hog prices are hovering around the support level and it is expected by USDA officials that this situation will persist until the present support program for hogs expires March 31. No program has been announced for subsequent months, although a continuation of supports at probably a lower level is expected.

USDA purchases of lard for export are lending some support to the hog market. One purchase of 24 million pounds was made last week for shipment to Germany. There is further support from ECA grants for purchase of fats.

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

Prices paid for poultry and eggs on the Dallas market have made no significant change during the last two weeks, with hens weighing 4 lbs. and over holding at 18 cents per pound, fryers steady at 21 cents per pound, and eggs unchanged during January at 27 cents per dozen.

The USDA predicted last week that prices farmers will receive for eggs in 1950 will average about 1/6 lower than in 1949. CCC purchased 4 per cent of production last year in supporting prices.

Storage stocks of poultry meat, including turkey, were higher on January 1, according to last week's report, than at any time on record, except during the 3 winters, 1945-48.

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

Scattered contracting of mohair and sale of a good volume of 12-month French and staple wools highlighted the wool and mohair markets in Texas last week. Adult mohair was contracted for 65 cents per pound and kid for 85 cents per pound, the latter being up 4 cents from a week earlier.

Purchasers in Texas took good French and staple wools at an estimated clean price of about \$1.65 cents per pound, delivered in Boston.

Some dealers in the Boston market reported business good last week, with sales of greasy domestic worsted wools closing at higher prices than the previous week, reflecting higher quotations from all foreign markets.

The USDA has announced that wool will be supported in 1950 at 90 per cent of parity. What this means in dollars and cents will be announced about April 1, but the price is certain to be higher than in 1949.

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

The value of the assets of the Nation's agriculture at the beginning of 1950 showed the first annual decline since the beginning of the war, according to USDA announcement this week. Preliminary estimates show a reduction of nearly \$5 billion from the peak of \$127 billion reached at the beginning of 1949. The net decline was accounted for by a reduction in the value of real estate, livestock, crops stored on and off farms, deposits, and currency.

The USDA has announced that there will be no acreage allotments on soybeans in 1950, as anticipated domestic and export demand during the present marketing year will keep the crop from reaching surplus proportions.

Farmers' stock peanuts milled during the 1948-49 season totaled over 2 billion pounds -- the largest quantity of peanuts milled during any season of record.

Feedstuff markets made further declines during the week ended January 24, influenced principally by plentiful supplies, slow demand, and continued mild weather in important feeding areas.