

Federal Reserve Bank of Dallas

PEANUTS

Approximately 71 percent of the peanut growers who voted in the peanut referendum on December 14 favored marketing quotas for the peanut crops of 1951, 1952, and 1953, according to preliminary tabulations announced by the USDA. The substantially complete returns received from 16 states in which the referendum was held show that 48,790 producers favored quotas while 20,120 voted against quotas.

Tabulations of results of the referendum by states show that 68.1 percent of the farmers voting in Texas favored quotas; in Oklahoma the figure was 59.3 percent. 7 of the 9 farmers voting in Louisiana and all of the 3 voting in Arizona favored quotas. On the other hand, three-fourths of the New Mexico growers voted against controls.

Final estimates of peanut production in Texas in 1950 show a crop of 331 million pounds--almost equal last year's large crop, despite reduced acreage. In Oklahoma 117 million pounds were produced, up 3 million pounds over 1949 due to increased acreage.

The supply of peanuts in commercial positions in the US at the end of November was the largest on record, according to the BAE. This supply, which excludes stocks on farms and holdings of shelled oil stock peanuts, amounted to 1,318 million pounds on a farmers' stock equivalent basis, vs. 907 million pounds a year ago. The increased supply of farmers' stock peanuts resulted largely from a decline in milling operations this season. A total of 404 million pounds of farmers' stock peanuts had been milled this season through November 30, compared with 658 million pounds milled to the end of November last year. Cleaning and shelling operations thus far this season accounted for 388 million pounds, vs. 656 million pounds in the same period a year earlier.

COTTON

The cotton market has remained relatively stable for the past 2 weeks. On Tuesday, December 26, Middling 15/16-inch cotton in the 10 designated spot markets averaged 43.28 cents per pound, compared with 43.29 cents a week earlier.

Domestic mill consumption per working day increased in November from the preceding month's level, but the daily rate was the fourth highest November average on record. Domestic mills consumed a total slightly in excess of one million bales in the 5-week period ended December 2, 1950. During the first 4 months of the current season about 3.6 million bales were consumed, vs. 2.9 million in the same months of 1949.

Milled stocks of cotton increased sharply during November and at the end of the month totaled over 1.8 million bales, vs. 1.5 million a month earlier.

Cotton ginned in Texas through December 12 amounted to 2,733,000 bales, almost 95 percent of the crop, vs. 87 percent to the same date a year ago.

Cottonseed prices in Texas last week averaged \$105.90 per ton, compared with \$106.70 the previous week. In Oklahoma the average price was \$104.80, vs. \$102.20 a week earlier.

WHEAT

The official forecast of the Texas wheat crop for harvest next summer is set by the USDA at 57,744,000 bushels, or more than twice the 1950 harvest. However, it is only about half the extraordinary bumper crops of 1947 and 1949. The Texas acreage for the current season, all of which is planted, is 6,416,000 acres.

The USDA points out that whether the Texas wheat crop can come up to expectations depends heavily, as usual, on the weather. This fall, when it should have been sending down roots and getting ready for spring growth it suffered from drought and severe early freeze.

Cash wheat prices on the Fort Worth Grain and Cotton Exchange have made little net change for the past week. On Tuesday, December 26, No. 1 hard wheat sold for a top price of \$2.64-1/4 per bushel--about the same as a week earlier but 18-1/2 cents over a month ago.

Current wheat supplies, says the BAE, are adequate to take care of all domestic requirements, provide for large scale exports, and leave a substantial carry-over at the end of the marketing year. It is expected that 1950-crop wheat placed under loan before the program expires at the end of January will total less than 200 million bushels, vs. 383 million bushels for the 1949 crop.

OTHER GRAINS

Prices of other grains on the Fort Worth Grain and Cotton Exchange continue to reach new high levels for the year. On Tuesday, December 26, No. 2 barley brought \$1.71 per bushel, vs. \$1.68 a week earlier and \$1.54 a month ago.

No. 2 white oats at \$1.16-1/4 per bushel were fractionally below a week earlier but still 7 cents over a month ago. No. 2 yellow corn at \$1.87-3/4 and No. 2 white corn at \$2.25-1/4 per bushel were 14 cents and 23 cents, respectively, over a month earlier.

No. 2 yellow milo (sorghum grain) sold for \$2.58 per cwt., or 1 cent over a week earlier and 30 cents above the same date last month.

Texas and Louisiana rice markets are holding firm but trading has been slow for the past two weeks, reflecting the usual holiday dullness. Last week's quotations for milled rice at Texas and Louisiana common points: Zenith, \$9.75; Blue Bonnet, \$11.00; and Patna, \$11.25 per cwt.

LIVESTOCK

Livestock prices on the Fort Worth market have risen during the past week, with some classes reaching new "highs" for the year. On Tuesday of this week, slaughter heifers brought \$31.00, cows sold as high as \$24.00, and calves rose to \$31.50 per cwt. Slaughter steers held at \$31.50, while feeder and stocker steers remained at \$31.00.

Hog prices reached \$20.50 on Tuesday--up \$1.00 from a week earlier and \$2.00 over two weeks ago.

The 1950 U.S. pig crop totaled 100.7 million head, an increase of 5 percent over last year, according to the BAE. This is exceeded only by the crops of 1942 and 1943. The 1950 spring pig crop was up 3 percent, while the fall crop was up 9 percent.

Farmers' reports on breeding intentions indicate 9,920,000 sows to farrow in the spring of 1951--an increase of 4 percent over last spring.

WOOL AND MOHAIR

Good 12-months Texas wool was contracted last week at prices ranging up to \$1.12 per pound, grease basis. Contracting of Texas mohair saw prices rise to \$1.26 for adult and \$1.56 per pound for kid mohair. Some contracts have been reported sold ahead to mills at \$1.30 for adult and \$1.55 for kid mohair.