

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices continue to advance rapidly; on Tuesday, February 14, Middling 15/16" cotton in the ten leading markets averaged 32.23 cents per pound, the highest level since July. This price compares with a season's low of 29.45 cents on October 5, and with a loan rate of 29.57 cents on the same basis.

Spot markets in the U. S. were moderately active last week and trading was in rather good volume for this time of the year. Reported sales in the ten markets totaled 180,300 bales, compared with 209,800 bales the previous week and 147,100 bales the same week last year. Southwestern spot markets also were moderately active and inquiries from domestic and export sources were fairly numerous.

Farmers in Texas were reported to be selling loan equities last week at prices ranging generally from \$2 to \$8 per bale.

This week's CCC report indicates that 2,968,000 bales of 1949-crop U. S. cotton were pledged under the loan program through February 2, reflecting an increase of approximately 91,000 bales for the week then ended. Cotton placed under loan to the same date last year exceeded 4.9 million bales.

Cotton placed under loan in Texas through February 2 totaled 1,144,000 bales; Arizona, 108,000; Louisiana, 113,000; New Mexico, 32,000; and Oklahoma, 240,000.

Domestic mill demand was relatively quiet last week but export demand continued to be very good. The best demand continues to be for the better grades and staples and for low grades. Domestic mill purchases of the medium grades during the week were moderate.

Cotton exports thus far this season amount to 2.5 million bales, compared to 1.8 million bales for the same period last season.

So far, devaluation of many foreign currencies last fall has had little effect on either domestic imports or exports of cotton textiles. If this continues to be the case, domestic mill consumption probably will not fall below current levels for some time.

C O T T O N S E E D

Prices paid last week to farmers for cottonseed averaged \$44.60 per ton in Texas and \$42.40 in Oklahoma, or near the same prices as two weeks earlier. In areas where harvest is not complete, a major part of the seed being offered for sale is going into the PMA purchase program.

Cottonseed grades last week in Texas averaged 100.5, compared with 99.5 two weeks ago.

The USDA estimates that the production of fats and oils from domestic materials in the year beginning October 1949 probably will total over 12 billion pounds, or 2 percent above the production of the previous season and well above the wartime peak of 11 billion pounds. It is estimated also that the production of cottonseed in 1949 exceeded the 1948 crop by 9 percent.

Bills to repeal taxes on oleomargarine, which have been passed by the House and Senate, are awaiting the attention of a conference committee, but further action towards final passage is not expected until after the cotton acreage revision bill is passed.

G R A I N S

Wheat prices on the Fort Worth market continue to fluctuate within

narrow margins; on Tuesday, February 14, No. 1 Hard sold for \$2.40-\$2.44 per bushel, which is about the same as a month earlier.

The wheat market is reflecting the effect of large surpluses in this country and diminishing outlets for export, plus the fact that another crop is only four months away. Exports of wheat and flour appear to be restricted to allocation of funds by the U. S. Government.

Corn prices in Fort Worth are holding steady with Tuesday's prices for No. 2 White at \$1.65 to \$1.66 per bushel, or about equal those of a month ago. The principal sustaining factor in the corn market is the loan program. Recent hopes for a substantial export business have been based on reports of a small corn crop in Argentina, which normally is a large exporter. However, exports of corn are still dependent largely on ECA allocations.

Prices of oats and grain sorghums in Fort Worth this week were about the same as a month ago, although 4 to 7 cents above the January lows. On Tuesday, No. 2 White oats sold for 95 to 96 cents per bushel, and No. 2 Yellow grain sorghums were quoted at \$2.35 to \$2.40 per cwt.

The USDA reported this week that July-January exports of grains and grain products were 17 percent below those for the same period last season. Exports of wheat and wheat products during this period totaled 193 million bushels, off some 60 percent.

ECA allocations early this week included \$3 million to Ireland for purchase of U. S. corn, plus \$65 thousand for U. S. wheat, and about \$1 million to Austria for buying wheat.

FRUITS

Grapefruit production in Texas this season is estimated at 6.5 million boxes, compared with 11.3 million boxes harvested last season and a 1947-48 crop of 23.2 million boxes. Reports show that about 80 percent of the crop was harvested by February 1 and that harvest will be practically completed by March 1.

Grapefruit prices, which for this season have been running well above comparable months of last season, will remain high this winter, says the USDA, as supplies remaining to be marketed are smaller than a year ago.

Orange production in Texas is estimated at 1.6 million boxes, compared with 3.4 million boxes last season and a 1947-48 crop of 5.2 million boxes.

Production of dried fruits in 1949-50 is estimated to be about one-eighth larger than that of 1948-49 but 10 percent under the 1935-39 average. The 1949-50 pack of commercially-canned fruits will about equal that of the previous season.

LIVESTOCK AND MEAT

Livestock prices on the Fort Worth market have made only very minor changes during the past week. Top prices for hogs at \$17.25 per cwt. on February 14 were up \$2 from a month earlier. Top prices for most other classes of livestock were within \$1 of the prices reported a month ago.

Livestock receipts in Fort Worth last week were above those of the previous week when rains and sleet interrupted marketing. As compared with the same week last year, receipts of cattle, calves, and sheep were off substantially but marketings of hogs were slightly higher.

Prices of hogs are expected to increase seasonally in the next month or two as the number of hogs marketed will decline more than the usual rate, according to the USDA. Meanwhile, prices of the top grades of cattle may decline somewhat.

The BAE reported this week that meat production in commercial plants in Texas in 1949 was about 749 million pounds, or 20 percent less than that produced in 1948 and 24 percent under the 1947 production. In terms of numbers of live-stock slaughtered, cattle were off 26 percent from 1948; calves, 16 percent; hogs, 14 percent; and sheep and lambs were lower by more than one-half.

Commercial meat production in the U. S. in the January-March quarter is expected to total around 8 percent larger than in the same period last year, with practically all the increase being in pork.

POULTRY AND EGGS

Prices paid by Dallas wholesalers to farmers and other producers for poultry and eggs made no significant changes last week and early this week with heavy hens holding steady at 18 cents, fryers at 25 cents, and No. 1 turkey hens at 30 cents per pound. Eggs remained unchanged at 27 cents per dozen.

The USDA has announced that it will continue for the month of March to support egg prices at levels reflecting an average price to producers of at least 25 cents per dozen for shell eggs -- the same as the January-February price.

The government announced last week that it is going to give away its warehouse supplies of dried eggs, along with potatoes and dried milk. Some 73 million pounds of dried eggs have been made available for the school lunch program, the Bureau of Indian Affairs, and to federal, state, and local public welfare agencies.

The USDA predicts that egg production will increase seasonally through the next three or four months but prices are not expected to decline from present levels. After mid-year, prices are likely to rise more than seasonally because the number of hens sold or lost from laying flocks probably will be larger than the number of pullets added as replacements.

No substantial rise in chicken prices is likely for some time because marketings of broilers from specialized producing areas will be large through at least the first three or four months of 1950, and cold storage holdings of all classes of poultry are also large.

WOOL AND MOHAIR

Occasional lots of mohair were contracted in Texas last week for 65 cents per pound for adult and 85 cents for kid hair. As compared with a year ago, adult mohair was up 24 cents per pound and kid hair was 10 cents higher.

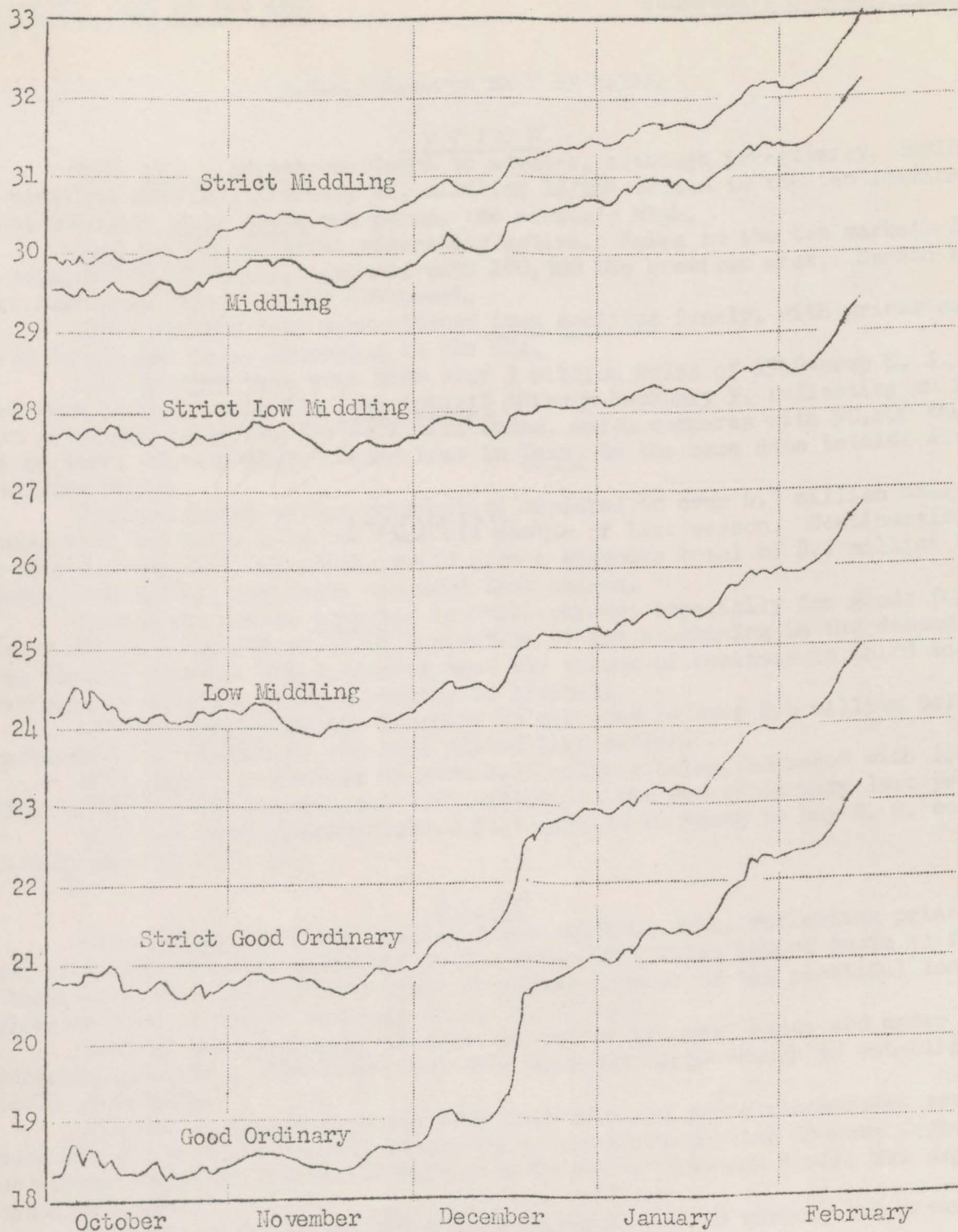
Wool trading was slow last week in the Southwest but some 12-months Texas wool sold in Boston at \$1.55 per pound, clean content.

The Bureau of Census reports that consumption of apparel wool during January-November 1949 totaled 307.6 million pounds, scoured basis. This was 31 percent below consumption in the same period of 1948 but 20 percent above the average of corresponding periods in 1935-39.

WINTER VEGETABLES

The Texas winter cabbage crop is estimated at 171,800 tons, or 15,000 tons above average. A winter carrot crop of 3,906,000 bushels is substantially above average, although below last year's large crop. The Texas winter lettuce production, which is being expanded rapidly, is estimated at 2,380,000 crates, more than four times last year's harvest.

Cents Per Pound



GRAPHIC AGRICULTURAL NEWS NO. 1
Daily Spot Prices of 15/16-Inch Cotton, By Grades,
Average of Ten Designated Spot Markets,
October 1, 1949, Through February 14, 1950

(Occasional supplement to AGRICULTURAL NEWS OF THE WEEK)

2/15/50