Federal Reserve Bank of Dallas

COTTON

Spot cotton prices continued to advance, although irregularly, during the past week; on Saturday, February 18, Middling 15/16" cotton in the ten leading markets averaged 32.42 cents per pound, the season's high.

Spot markets continue moderately active. Sales in the ten markets last week totaled 186,300 bales, compared with 180,300 the previous week. Demand for export continues strong in the Southwest.

Texas farmers last week offered loan equities freely, with prices ranging from $2 to $15 per bale, according to the FMA.

CCC reported this week that over 3 million bales of 1949-crop U. S. cotton were pledged under the loan program through February 9, reflecting an increase of 62,000 bales for the week then ended, which compares with 90,600 the previous week. Cotton placed under loan in Texas to the same date totaled almost 1.2 million bales.

August-January cotton consumption amounted to over 4.3 million bales, compared with 4.2 million in the same six months of last season. Continuation at this rate for the next six months would give a season's total of 8.7 million bales, compared with 7.8 million bales consumed last season.

Demand for cotton textiles is still strong, especially for goods for delivery before July. There is no indication of any slackening in the demand for cotton cloths; however, FMA indicates that the volume of business in third and fourth quarter contract goods currently is limited.

Cotton exports through February 15 amounted to over 2.6 million bales, compared with 2.2 million in the same period last season.

Mill stocks on January 28 were 1.75 million bales, compared with 1.65 million at the end of December and 1.63 million at the end of January last year.

ECA last week allocated about $1.8 million to Korea to buy U. S. cotton to be delivered by June 15.

RICE

Rice markets in Texas and Louisiana continue dull, reflecting principally a lack of export outlets, according to the USDA. The Cuban import quota is filled and there is little inquiry from other countries because of the plentiful local supplies or lack of dollar exchange to buy U. S. rice.

Most of the rough rice is reported out of growers' hands and under loan or purchase agreement; marketings last week were not large enough to establish reliable quotations.

Trading in milled rice was slow last week and price concessions were made by some millers to effect sales, according to the American Rice Growers Cooperative Association. Moderate quantities were sold to Puerto Rico and Hawaii but export business was small.

Domestic distributors are buying supplies only as needed, but movement into consuming channels is about normal.

Preparations for seeding the 1950 rice crop in the Southern rice area have been delayed by heavy rains during the last few weeks.

WHEAT

Prices of wheat on the Fort Worth market held steady last week and early this week, with prices for No. 1 Hard generally at $2.40 to $2.45 per bushel, or about the same level as a year ago.

It is reported that Italy has requested offers on about 3 million bushels of U. S. wheat for delivery in March and April.
There was a pickup in the domestic flour business last week, which was based on fears that the coal strike might further retard movement of grains off farms. On the same basis, export buying of wheat and flour also increased. It is becoming more and more apparent that there will be a substantial carryover of wheat at the end of the current season, as exports are falling behind earlier expectations and the movement into domestic milling channels has been somewhat slow. Unless there is a crop failure of considerable proportions, grain storage facilities will be at a premium when 1950 harvest begins.

The Chicago Board of Trade estimates that the visible supply of wheat in the U.S. as of February 18 was 171 million bushels, which compares with 102 million a year ago.

OTHER GRAINS

Fort Worth oat prices made only fractional changes last week, holding at about 95 to 96 cents per bushel, which is about equal the level of prices a year ago.

CCC has made available about 13 million bushels of oats for export under ECA funds.

Corn prices in Fort Worth have moved up gradually during February, gaining about 5 cents per bushel -- to $1.66-3/4 per bushel top price on Monday, February 20. This price is near that of the same date last year. CCC has made available to exporters 100 million bushels of 1948-crop corn for foreign consumption in Marshall Plan countries using ECA funds. No doubt some corn will move abroad under these conditions but it looks as if there still will be a large surplus of corn this fall from both the 1948 and 1949 crops.

The acreage allotment for 1950 is sharply below the 1949 harvested acreage, but the use of fertilizer and favorable weather could produce an unwieldy crop, especially when domestic and export demands are considered.

Prices of grain sorghums in Fort Worth have been rising gradually since the first of the month; a top price of $2.43 per cwt. on Monday, February 20, compares with $2.33 three weeks earlier and $2.70 on the same date last year.

LIVESTOCK INVENTORY

Livestock and poultry on farms and ranches in the United States, as combined on the basis of feed consumption, showed an increase of 2 percent during 1949, the first increase since 1943.

Percentage changes for the various types of livestock and poultry in the U.S. last year were: cattle +3%, sheep -3%, hogs +6%, horses -10%, mules -8%, chickens (excluding commercial broilers) +7%, and turkeys +10%.

In Texas the numbers of major types of livestock and poultry on January 1, 1950, and the percentage changes from a year earlier were: cattle 8,658,000 head, +3%; milk cows 1,296,000, +1%; hogs 1,701,000, no change; sheep 6,821,000, +3%; goats 2,246,000, -8%; horses 352,000, -9%; mules 139,000, -13%; chickens (excluding commercial broilers) 27,384,000, +6%; and turkeys 755,000, -2%.

The value of livestock per head in Texas on January 1 and the net changes during 1949 were: all cattle $104.00, +$1; milk cows $139.00, +$4; hogs $20.80, -$6.50; stock sheep $15.40, +$2.50; horses $35.00, -$5; mules $18.00, -$4; chickens $1.11, -15 cents; and turkeys $4.80, -$2.40.

LIVESTOCK MARKETS

Prices of lambs and most classes of cattle moved up about 50 cents to $1 per cwt. last week on the Fort Worth market. Top prices of hogs have been holding between $17 and $18 since late January. Top cattle and lamb prices are above a year
Livestock receipts in Fort Worth last week fell below the large receipts of the previous week when marketings were up following a week of bad weather.

POULTRY AND EGGS

Prices paid by Dallas wholesalers to farmers for poultry and eggs remained relatively unchanged last week.

January egg production in Texas was 201 million, compared with 172 million during January 1949. This large increase resulted from both a larger number of layers on farms and a larger egg production per layer. There were 911 eggs produced per 100 layers in January, up 99 from the corresponding month of last year. The Government bought over 2 million pounds of powdered eggs last week, which brought total purchases since January 1 to over 10 million pounds. It still has on hand practically all the eggs in powdered form which were purchased last year.

WOOL AND MOHAIR

There was practically no wool business in Texas last week. Neither was there much sale of Texas wools in Boston, according to the PMA.

Mohaïr business was at a standstill in Texas last week, and no further contracting was reported. Shearing of goats is expected to begin within a week or two, depending upon the weather.

During the first 3 months of the 1949-50 season, exports of wool from Argentina were two-thirds above those for the same months of the previous season. The U. S. imported three-fourths of Argentina's export.

MISCELLANEOUS

The USDA says that the Nation's farmers in 1949 realized 17 percent less net income from farming than in 1948. The figure was $13.8 billion, compared with $16.7 billion the previous year.

Feed markets strengthened early last week, according to the PMA. This firmer situation resulted from an increased demand from feed manufacturers and distributors who were replenishing stocks. A moderate advance in prices of some grains, improvement in the demand for chick feeds, and somewhat more favorable feeding ratios for poultrymen, were further strengthening influences.

The U. S. index of feedstuffs prices last week was at 201, compared with 208 a year ago.

The ECA last week earmarked $1,066,000 to Austria for purchase of American peanuts for delivery by July 31.

Stocks of merchantable Irish potatoes held by growers and local dealers in or near areas of production February 1 were an estimated 118.8 million bushels, up 13 percent from a year earlier and only 2 percent below the record holdings of February 1, 1947.

The Government on February 1 owned more than 80 million pounds of butter, and with little chance to liquidate holdings it's stocks probably will increase sharply during the next several months.

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