

Federal Reserve Bank of Dallas

C O T T O N

The irregular advance in spot cotton prices continues; on Saturday, February 25, Middling 15/16" cotton in the ten leading markets averaged 32.51 cents per pound, almost 3 cents above the average loan rate for the ten markets.

The PMA reports that trading in southwestern markets slowed considerably last week, but that there was an average volume of business in most other areas. Sales in the ten markets totaled 150,100 bales, the smallest weekly volume since late August; however, most markets were closed on February 22.

Export sales in the southwest, which have been running very heavy for the past few months, last week were only moderate in volume and domestic sales were light. Elsewhere, inquiries were fairly numerous but mill buying was limited.

The CCC reported this week that upwards of 3.1 million bales of 1949-crop U. S. cotton were pledged under the loan program through February 16; meanwhile, farmers had redeemed notes covering almost 250,000 bales. Cotton placed under loan in the five southwestern states to the same date were: Arizona, 118,000 bales; Louisiana, 116,000; New Mexico, 35,000; Oklahoma, 259,000; and Texas, 1,253,000.

Texas farmers last week offered loan equities at prices ranging from \$2 to \$15 per bale with Low Middling and lower White grades selling at top prices.

Last week's ECA allocations for cotton purchases included \$2 million to Germany, \$1.1 million to Italy, and over \$1/2 million to Greece.

Planting of cotton in the irrigated sections of the Coastal Bend and Valley areas of Texas continued fairly active last week. In most other cotton producing sections of the State, fields were too wet to allow land preparation except in the higher and light types of soil.

The United States District Court for the District of Columbia on February 21 dismissed the complaint and denied the request for an injunction sought by a group of Texas cotton farmers to keep the Secretary of Agriculture from enforcing 1950 state and county cotton acreage allotments in certain counties in Texas.

The Senate has voted to increase cotton acreage allotments by 800,000 acres nationally. This bill provides that no farmer's cotton acreage will be reduced from that already allotted him for this year, and that farmers may plant up to 60 percent of the average acreage planted to cotton and war crops in 1946 through 1948. However, this bill differs markedly from the one passed by the House and these differences must be worked out in a conference committee.

W H E A T

Prices of wheat on the Fort Worth market moved up last week about 1 cent, but on Tuesday, February 28, reverted to the previous level of \$2.42 to \$2.46 per bushel.

The ECA has granted for the purchase of wheat and flour \$15 million to Great Britain and \$2.2 million to Norway; \$2.3 million was granted to Portugal for the purchase of wheat.

The cotton acreage revision bill which was passed by the Senate this week provides that wheat acreage allotments for the 1951 crop can not be less than 50 percent of the largest acreage seeded to wheat in the years 1947 through 1949.

The parity price for wheat on February 15 was \$2.13 per bushel, unchanged from mid-January. This price compares with the average U. S. farm price of \$1.93 on the same date.

R I C E

Rice markets continue dull due to a slow demand from domestic buyers and also a lack of any important export outlets.

Trading in the southeastern markets was generally quiet last week with supplies moving into consumer channels at a normal rate. Mill quotations were about the same as for the previous week.

The American Rice Growers Cooperative Association reports that of the shipments of southern rice, August through January, 691,000 bags went to Puerto Rico, 10,000 to Hawaii, 4,351,000 into export channels, and 6,668,000 to domestic trade.

C O R N

Fort Worth corn prices last week moved up slightly, reaching the highest level since October. The top price of \$1.70 per bushel on February 25 was 6 cents over the January 3 price.

Corn export business is still on the dull side, although there are prospects for improvement in shipments abroad.

The U. S. parity price of corn on February 15 was \$1.55 per bushel, the same as a month earlier. The U. S. average farm price on this date was \$1.16.

O T H E R   G R A I N S

Oat prices in Fort Worth continue to fluctuate within a very narrow range, having made very little change since the first of December. Quotations on Tuesday, February 28, were 94 to 95 cents per bushel.

Fort Worth grain sorghum prices are rising slowly. Current quotations of \$2.40 to \$2.45 per cwt. are about 12 cents above the levels of a month ago.

L I V E S T O C K

Prices of hogs on the Fort Worth market declined early this week and the top price of \$16.75 per cwt. on Tuesday was the lowest since January 23, and compares with \$18.00 paid on February 6.

Prices of slaughter steers declined last week and again this week; the top price of \$27.00 on Tuesday was \$1 under two weeks earlier. Prices of most other classes of cattle have made little change during the past week.

Shorn lambs are quoted in Fort Worth this week as high as \$24.00.

Medium shorn Angora goats on the San Antonio market are quoted at a top price of \$12.00, and kids up to \$6.00 per cwt.

P O U L T R Y   A N D   E G G S

The Dallas poultry market strengthened last week. Hens weighing 4 pounds and over rose 4 cents -- to 22 cents per pound. Hens, 3 to 4 pounds, are up 5 cents -- to 18 cents per pound. Fryers are quoted at 28 cents, or 3 cents above a week ago. Prices of turkeys and eggs are unchanged.

January chick production by commercial hatcheries in Texas totaled 3.65 million, or about 13 percent below the high output of 4.2 million chicks a year earlier. Approximately two-thirds of the total output went to commercial broiler production.

U. S. farmers have indicated that they plan to buy 12 percent fewer chicks in 1950 than they bought in 1949. Some difference between their February plans and their actual purchases is to be expected, however, as they will be influenced by egg and feed prices during the hatching season.

Farmers' intentions in February to buy fewer chicks this year reflect the present unfavorable egg-feed price relationship, the result of a 39 percent drop in egg prices from mid-October to mid-January with practically no change in feed prices.

#### W O O L   A N D   M O H A I R

Shearing of the spring mohair clip was under way in the Texas hill country last week and some lots were delivered to warehouses for shipment. Buyers had definite orders to pay 65 cents per pound for adult mohair and 85 cents for kid; but ranchers were not willing to sell, according to the USDA.

Occasional lots of average to good lengths 12-months wool sold in Texas last week at an estimated clean cost of \$1.60 per pound delivered to Boston.

Two cars of average to short French combing lengths 12-months Texas wool sold in Boston at a clean cost of about \$1.55 per pound.

Production of wool in the U. S. in 1950 probably will not be greatly different from that in 1949, even though stock sheep numbers declined slightly last year. This expectation is based on the assumption that there will be no local losses from bad weather as happened in 1949, and that the weight per fleece will average about the same as in recent years. Texas wool production may represent a slightly larger percentage of the total U. S. clip in 1950.

With domestic production and stocks of wool at their present low levels, imports of apparel wools in 1950 probably will increase substantially over the 1949 quantity, says the USDA. However, the present level of wool prices in foreign markets, if maintained, will tend to discourage any building up of stocks of wool or wool goods in manufacturing and distribution channels beyond necessary operating levels.

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

The Department of Agriculture announces that the REA has allocated funds for its first rural telephone loan. The loan allocation was made to the Florala Telephone Company of Florala, Alabama for improvement and expansion of rural telephone service in a three-county area in southern Alabama and northern Florida.

A continuation of the downward trend in sales of farm equipment is expected this year because of: (1) the satisfaction of pent-up demand for farm equipment generated during the War, and (2) a further decline in farm income, according to an industrial survey by Standard and Poor's.

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