

Federal Reserve Bank of Dallas

W H E A T A N D R Y E

The USDA announced last week its December 1 estimates of acreages seeded to winter wheat and rye. For the U.S. the acreage seeded to winter wheat for all purposes in the fall of 1951 is estimated at 56,257,000 acres, nearly 1% more than seeded a year earlier. On the basis of current seeded estimates and an appraisal of reported crop conditions, soil moisture supply, and other factors affecting yields, the Department forecast winter wheat production at 918 million bushels, or 42% more than the 1951 crop. If realized, this crop would be the third largest of record.

The acreage seeded to winter wheat in Texas is estimated at 5,323,000 acres, down 12% from a year earlier. Production is forecast at about 40 million bushels, compared with the very small 1951 crop of 17 million bushels.

The acres seeded to winter wheat in other southwestern states: Oklahoma, 6,140,000, down 2%; New Mexico, 630,000, down 10%; and Arizona, 25,000, down 4%. However, production forecasts for each of these states show substantial increases over 1951 crops.

The U.S. acreage seeded to rye for all purposes in the fall of 1951 is estimated at 3,164,000 acres, down 12% from a year earlier. The Texas acreage estimated at 102,000 acres is up 10%. The estimate of 230,000 acres in Oklahoma shows an increase of 43%.

The wheat crop in northwest Texas continues to develop slowly although light snow has provided some surface moisture.

The wheat market weakened slightly last week. (Grain markets like most other public markets were closed on Monday, December 24, as well as Tuesday, December 25.) On the Fort Worth market No. 1 hard wheat sold Saturday, December 22, at \$2.79 per bushel, compared with the season's high of \$2.85 $\frac{1}{4}$ on the 8th.

O T H E R G R A I N S

Corn prices on the Fort Worth market reached a peak during the second week in December and have been on a declining trend since that time. On Saturday, December 22, No. 2 yellow corn sold at \$2.23 per bushel, or 10 cents under the peak. No. 2 white corn at \$2.55 was off 12 cents. The lower corn prices are due to many factors, one of which was the USDA forecast of a 9% smaller pig crop next spring which, if realized, might mean a smaller domestic demand for corn.

Prices of barley, oats, and sorghum grain in Fort Worth have eased slightly in the past 2 weeks in line with prices of other grains.

C O T T O N

Spot cotton markets continue to fluctuate within a wide range. On Saturday, December 22, Middling 15/16-inch cotton in the 10 spot markets averaged 41.82 cents per pound, compared with 41.63 a week earlier and 43.35 two weeks ago.

Spot market activity slackened during the 2 weeks preceding the Christmas Holiday as indicated by reported sales in the 10 markets. Some farmers continued to hold early ginnings and a few were withholding the bulk of their current ginnings.

Daily mill consumption of cotton in November was above that of October but substantially below that of November 1950. Domestic mill consumption totaled 3.1 million bales during the August-November period, compared with 3.6 million in the corresponding 4 months last season. On a daily rate basis consumption this season through November was 9% less than a year earlier.

Cotton ginned through December 12 totaled 13.6 million bales, or 89% of the indicated 1951 crop, according to the Bureau of the Census. Of the estimated 1.7 million bales remaining to be ginned after December 12, 388,000 were in Arizona and 367,000 were in Texas.

Cottonseed prices in Texas last week averaged \$74.40 per ton, or 10 cents lower than the previous week.

FARM LAND VALUES

Farm real estate values continued to advance in nearly all states during the 4 months ended November 1, 1951, but the average increase of 2% was only half as large as during the same period a year ago, according to a report last week by the USDA. At 206 (1912-14 = 100) the U.S. index as of November 1 was 15% above a year earlier and 20% above July 1950.

Percentage increases in farm land values from November 1950 to November 1951; Arizona, 24% (the highest of any state in the Nation); Louisiana, 10%; New Mexico, 17%; Oklahoma, 15%; and Texas, 18%. The index numbers of average value per acre of farm land on November 1, 1951, vary considerably among southwestern states: Louisiana, 252 (1912-14 = 100); Oklahoma, 251; Texas, 233; New Mexico, 229; and Arizona, 219. If November land values are compared with prewar (1935-39) New Mexico and Oklahoma show the greatest increases among the above named states.

An October survey of farm real estate dealers and others in the U.S. indicates that fewer farms were sold during the late summer and early fall of 1951 than during the same period a year earlier. The number of farms listed for sale apparently remains about the same as a year ago. In the better farming areas farms for sale are largely limited to those involved in estate settlements and retirements. In other areas it is principally the less desirable farms, or those that would require considerable additional expenditures for improvements to land and buildings, that are offered for sale.

MISCELLANEOUS

Livestock market reports of the past week used such terms as "slow", "dull", "draggy", and "weak" to describe market developments. Although livestock receipts on the Fort Worth market last week and early this week were off from previous weeks, prices declined as much as \$1.00 per cwt. in sympathy with lower prices on other markets.

Trading in mohair in Texas was slow last week as most growers were reported holding stocks until after the turn of the year. Estimated prices ranged from \$1.07 to \$1.10 for adult and \$1.32 to \$1.35 for kid mohair.

It is reported that the O.P.S. is going ahead with its plan to lower ceiling prices on wool. However, the lower levels at which ceilings reportedly will be established are considerably above current market prices.

Commercial hatchery production in Texas in November was 19% above the same month of 1950. Total hatchery output during the first 11 months of 1951 was 27% above the corresponding period last year. Broiler chick output for the 11-month period was up 40% while the number of non-broiler chicks hatched was 2% lower.

The broiler movement was very slow at Texas points last week; prices moved 1 cent lower due to light demand. Closing prices in South Texas, 28 cents; East Texas, 26-27 cents.

W. M. Pritchett
Agricultural Economist