Federal Reserve Bank of Dallas

GRAINS

The Secretary of Agriculture has announced that there will be no acreage allotments on 1951 crops of corn and wheat. This action was taken because of the need for maximum production of these basic food and feed grains in the national emergency. The decision relative to corn applies particularly to the "commercial corn area" where allotments were in effect last year. It also relieves all producers from compliance with allotments as a condition for price support. The Secretary stated that it would be the policy of the Department to dispense with acreage allotments for any commodity if it appears that such action will result in larger increases in production of a commodity for which maximum production is desired.

Deterioration of wheat from drought in the northern High Plains was temporarily checked last week by light snow. However, the fall was light and varied and additional moisture is needed in all of that area.

The price of wheat on the Fort Worth Grain and Cotton Exchange has made relatively little change during the past three weeks. On Tuesday, January 9, No. 1 hard wheat sold for a top price of $2.61-1/4 per bushel, the same as two weeks ago. No. 2 barley reached $1.74 per bushel -- 4 cents over a week earlier and the highest price since June 1948.

No. 2 oats sold in Fort Worth on Tuesday for $1.17-1/4 per bushel, up 1-1/2 cents from a week earlier but about the same as three weeks ago.

No. 2 yellow corn at $1.92-1/2 per bushel on Tuesday was up 4 cents from a week earlier and higher than at any time in 1950. No. 2 white corn at $2.24 per bushel was off 3-3/4 cents from the same day in the previous week.

No. 2 yellow milo sold in Fort Worth Tuesday at a top price of $2.65 per cwt. -- 2 cents under last week's top price of $2.67, the highest price paid since May 1949.

Rice markets in Texas and Louisiana were inactive during the last week in December with demand slow because of the holidays and approaching inventory period, according to a report of the American Rice Growers Cooperative Association. Practically no rough rice was marketed during the period, but mills were reported making relatively large shipments of milled rice on orders placed to arrive after January 1. Only small quantities of milled rice moved into export channels or to the territories. Domestic distributors were making few new commitments except for deferred delivery.

Houston mills last week quoted No. 1 Blue Bonnet and Patna at $11.50 to $11.75 and No. 2 at $11.25 to $11.50. Zenith was priced at $9.75 to $10.25 per cwt.

TRUCK CROPS

Hardy type vegetables in the commercial vegetable areas of Texas have been making good recovery from the early December freeze, according to a report of the AAE. Production of all vegetables is limited to crops in the irrigated sections and rainfall is still deficient in all areas.

Root crops such as beets, carrots, and turnips have made new top growth sufficient for harvesting as bunched stock, although crops in a few fields were "tipped." Young plantings of these crops are making good top growth.

Most matured lettuce required close trimming, and the young plantings that survived the freeze are in good condition. Spinach has made rather slow growth, but supplies are beginning to show a gradual increase and the quality this season has been very good.
Planting of spring-crop potatoes and tomatoes has started in the Lower Valley. Prospects for vegetables in the nonirrigated sections are still unfavorable. Most of the dry planted onions and spinach have not germinated. Water for irrigation is still limited in the Lower Valley.

COTTON
Cotton prices reached new record "highs" in the major markets on Tuesday, January 9. Middling 15/16-inch cotton averaged 44.03 cents per pound, compared with 43.43 a week earlier and with the November peak of 43.93c.

The advance in cotton prices Tuesday is said to have been stimulated by reports from Washington that efforts were underway in Congress to raise the support prices for cotton and several other crops.

The USDA has re-emphasized that although the current cotton supply situation is tight, it is not critical and there is enough cotton available in the nation to meet emergency demands until the new cotton crop is harvested.

Cloth prices advanced during December and mill margins were the widest in more than 2-1/2 years, says the PMA. Mill margins, or the spread between the price of a pound of cotton and its approximate cloth equivalent, averaged 50.21 cents in December, according to preliminary estimates. This is the highest monthly average margin since April 1948 and compares with the December 1949 average of 38.05 cents.

LIVESTOCK
Livestock prices on the Fort Worth market reached new high levels this week, Tuesday's top prices: slaughter steers, $11.00; heifers, $3.50; cows, $2.50; and slaughter calves and feeder and stocker steers, $3.00 per cwt. each. Woolen lambs brought $3.50 while feeder lambs sold as high as $3.00 per cwt.

Hog prices have made little net change since the first of the year. Tuesday's top price was $20.75 per cwt., which was 25 cents over a week earlier and two weeks ago, and 34.25 per cwt. above a year ago.

The USDA has reported finding a new center of foot-and-mouth disease in Mexico, the first evidence of active infection of the disease in that country since December, 1949. The infection was reported in the State of Veracruz, about 100 miles south of the northern quarantine line. All possible precautions have been taken, says the Department, to prevent the spread of the disease from the infected premises, which were immediately quarantined.

WOOL AND MOHAIR
Business was very active last week in the Boston wool market as all classes of wools sold readily at sharply higher prices above the previous week. Stocks of greasy domestic worsted wools were practically nonexistent.

Dealers in Boston estimated last week that 80 percent of the Texas 1951 wool clip had been contracted. A small quantity of 12-months wool was contracted at $1.15 per pound, grease basis, to the grower.

Buyers last week offered up to $1.45 per pound for adult and $1.75 per pound for kid mohair in Texas, while some dealers thought a little business was consummated at these prices.

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