

Federal Reserve Bank of Dallas

C O T T O N

Cotton prices reached a new record high on Tuesday of this week with Middling 15/16-inch staple averaging 45.14 cents per pound in the 10 designated spot markets. The comparable price a week earlier was 44.33 cents. Average prices for grades ranged from 40.10 cents for Good Ordinary to 45.93 cents for Good Middling.

The USDA has announced that it intends to support the price of 1951-crop Amsak and Pima 32 varieties of American-Egyptian extra long staple cotton in order to obtain necessary domestic production. The action to build up supplies of this strategic and critical material was taken in accordance with a request from the Munitions Board.

Under present conditions, with no acreage limitations on upland cotton, it is estimated that not more than around 10,000 bales of extra long staple cotton would be produced in the US in 1951 without special price incentives. It is also estimated that a minimum domestic production of at least 75,000 bales this year would be desirable.

On the basis of latest information available to the USDA, it is believed that a support level of around \$1.04 per pound for Grade No. 2, 1-1/2 inches in length, with appropriate differentials for other grades and staple lengths, will be necessary to secure the desired production.

Mills consumed an average of 41,300 bales of cotton per working day during December, compared with a daily rate of 41,200 bales in November and 34,900 in December, 1949. During the first 5 months of the current season, mill consumption totaled 4.4 million bales, compared with 3.6 million in the corresponding period a year earlier.

Mill stocks of cotton increased during December and at end of the month totaled slightly under 2 million bales, vs. 1.8 million a month earlier and less than 1.7 million a year ago.

G R A I N S

Grain prices on the Fort Worth Grain and Cotton Exchange generally advanced during the past week, recovering most of the previous week's losses. On Tuesday, January 23, No. 1 hard wheat sold for a top price of \$2.63 per bushel, vs. \$2.60-1/4 a week earlier, and \$2.64-1/4 2 weeks ago. No. 2 white oats brought \$1.15-3/4 per bushel -- up 2 cents from a week earlier. Barley held steady at \$1.75 per bushel.

No. 2 yellow corn sold at Fort Worth Tuesday for \$1.90-3/4 per bushel, vs. \$1.89 a week earlier and \$1.94-1/2 2 weeks ago. No. 2 white corn at \$2.14-3/4 was off fractionally. No. 2 yellow milo at \$2.65 per cwt. was up 6 cents from a week earlier but at the same level as 2 weeks ago.

Rice markets held firm during the week ended January 15 with some further improvement in the demand both from the Cuban and domestic trade, reports to the USDA indicate. Trading in rough rice was limited by the small stocks remaining in farmers' hands but prices held firm. The milled rice market showed increased activity reflecting relatively large purchases by the Cuban trade and resumption of buying by domestic distributors to replenish stocks.

Distribution of southern milled rice during December totaled almost 1.7 million cwt., making a total distribution since the first of August of 9.8 million cwt., compared with 9.6 million during the corresponding period last season. Approximately 9.6 million cwt. remained for distribution January 1, or for carry-over at the end of this season. The comparable figure on January 1, 1950 was 8.5 million cwt.

L I V E S T O C K

Cattle and lamb prices on the Fort Worth market are reaching new record-high levels each week. On Tuesday, January 23, Choice slaughter steers brought \$35.00 per cwt., up \$1.00 from a week ago. Choice heifers brought \$34.00, unchanged. Calves brought \$35.00, up \$1.00 from a week ago. Feeder and stocker steers sold for \$34.00 -- \$1.00 under the peak reached last week.

Tuesday's top prices for lambs show new record highs paid for both slaughter and feeder lambs. Slaughter lambs reached \$35.00 per cwt., while woolled feeder lambs brought \$35.50.

Hogs sold Tuesday for a top price of \$21.25 per cwt., unchanged from a week ago.

Trading in goats on the San Antonio market was steady last week. The bulk of Common and Medium Angoras and Spanish type sold for \$13.50 to \$14.25 per cwt. Small butchers paid \$15.00 for fresh shorn Angoras and \$16.00 for those in the hair. Some yearlings in the hair reached \$18.00. Kids and yearlings mixed brought \$7.75 per head.

Cattle on feed in Texas on January 1 totaled 177,000 head, up 16,000 from a year ago. Other Southwestern states reporting: Oklahoma, 58,000, up 3,000; New Mexico, 16,000, down 1,000; Arizona, 87,000, up 28,000. The number of cattle on feed in the US on January 1 was 5 percent larger than a year ago and the largest on record.

W O O L A N D M O H A I R

There was little, if any, contracting for wool in Texas last week. Little mohair remained unsold in the State as buyers offered \$1.65 for adult and \$2.15 for kid mohair.

Prices advanced steadily for all classes of wool last week in the Boston wool market. Also further advances in prices were reflected in quotations from foreign markets.

P O U L T R Y A N D E G G S

Quotations in the Dallas wholesale poultry and egg market during the past week show slight advances for hens but declines for fryers and eggs. Hens weighing 4 pounds and over are bringing 24 cents per pound, up 2 cents from a week ago. Hens weighing 3 to 4 pounds at 18 cents are up 1 to 3 cents.

Arkansas fryers are bringing from 26 to 27 cents per pound, vs. 28 cents a week ago. Local fryers at 23 to 25 cents are off 2 cents. No. 1 turkey hens are holding steady at 32 cents per pound.

No. 1 mixed eggs at 35 cents per dozen are off 1 cent. No. 1 infertile eggs at 40 cents are down 5 cents from a week ago and down 25 cents since mid-December.

Turkey growers in the US plan to raise a record crop of turkeys this year. If growers carry out their intentions, the number of turkeys raised will be 44,773,000, about 1 percent more than in 1950. A 5 percent intended decrease in the West almost offsets expected increases in all other areas of the country, except the West North Central States where no change is planned. Reasons given by turkey growers for the slight increase from last year include an expected strong demand and higher prices for red meats, as well as a record level of employment, all of which are expected to result in higher turkey prices.

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