

Federal Reserve Bank of Dallas

G R A I N S

Prices of wheat and corn on the Fort Worth Grain and Cotton Exchange advanced during the past week while prices of other grains made little net change. On Tuesday, February 6 No. 1 hard wheat sold for a top price of \$2.70-1/4 a bushel -- about 2 cents over a week earlier. No. 2 yellow corn at \$1.96-1/2 per bushel was up 5 cents, while No. 2 white corn brought \$2.17-1/2 -- up 1 cent.

Top prices of other grains: No. 2 barley, \$1.75 per bushel; No. 2 white oats, \$1.17 per bushel; No. 2 yellow milo, \$2.63 per cwt.

The USDA announced last week the quantities of certain 1950 crops placed under price support by U. S. farmers through December 1950: (all in bushels) wheat, 181 million; barley, 29 million; oats, 14 million; grain sorghums, 49 million; and corn, 18 million.

Rice markets held firm during the week ended January 29, but trading slackened following the announcement of price controls, with both millers and distributors awaiting more definite information concerning the operation of the order, according to the USDA. At Houston No. 2 Blue Bonnet and Patna sold as high as \$11.75, while prices of Zenith ranged from \$10.00 to \$10.50 per cwt., milled basis.

The Secretary of Agriculture has terminated acreage allotments on 1951-crop rice. This action was taken, he said, because of the need for maximum production to assure abundant supplies of rice for probable export under the national defense program.

C O M M E R C I A L V E G E T A B L E S A N D C I T R U S

Commercial vegetables suffered severe damage in all growing areas of the District during the recent cold wave. Subfreezing temperatures prevailed continuously for over 3 days in most sections with official lows reported to be 10° at Eagle Pass, 12° in the Winter Garden, 19° at Laredo and 18-22° in the Lower Valley. Tops of root crops were frozen and leaf crops were frozen throughout. The extent of damage to leaf crops was very severe. Valley leaf crops were mostly for February and early March harvest and will not be replanted. The entire early spring tomato acreage in the Lower Valley was killed, while heavy losses of potatoes and sweet corn were encountered.

Damage was severe in all citrus areas. All fruit contained ice crystals. Total loss of young trees is expected to be heavy, and considerable wood damage to older trees is probable. Preliminary reports on utilization of the remainder of the fruit indicates that most of it will be used by the processing plants and marketed as juice, provided weather conditions favor full utilization of the crop in this manner.

C O T T O N

Prices for spot cotton generally have been holding firm, according to the PMA. However, the cotton exchanges have been posting no spot quotations since the price control order was issued.

Cotton futures markets suspended trading on Saturday, January 27, and are still closed. This is the longest period that trading has been suspended in cotton futures markets since the "bank holiday" in March, 1933.

Cotton ginned in Texas through January 16 totaled 2,847,000 bales, or about 98 percent of the estimated crop, according to the Bureau of the Census.

L I V E S T O C K

Prices of livestock on the Fort Worth market generally are holding at the high levels reported last week, the principal change being an advance of 75 cents in hog prices to \$22.50 per cwt.

On January 15 prices received by farmers for beef cattle, lambs, and veal calves in the U.S. were from 41 to 43 percent above parity prices as of that date. Hog prices, on the other hand, averaged 3 percent below parity. Medium and Good Spanish and Angora goats in the hair sold in San Antonio last week as high as \$16.50 per cwt. Angora kids reached \$10.50 each.

Cattle slaughter in commercial plants in Texas in 1950 totaled 770 million pounds, vs. 757 million in 1949. Calf slaughter reached 353 million pounds -- up 2 million. Hog slaughter last year rose to 376 million pounds, vs. 317 million in 1949. Sheep and lamb slaughter, on the other hand, totaled 48 million pounds, or slightly less than in 1949.

Changes in meat production in the U.S. in 1950 as compared with 1949: beef production, up 1 percent; veal production, down 8 percent; pork production, up 6 percent; and mutton and lamb, down 1 percent.

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

Prices of wool and mohair continued to establish new high levels, according to the reports of the PMA. Approximately 30,000 fleeces were contracted in Texas last week at \$1.50 per pound, grease basis.

Some mohair was contracted last week in Texas at \$1.80 for adult and \$2.30 per pound for kid mohair.

All trading in the Boston wool market came to a virtual halt last week, pending a clarification of the price control order. The grease-wool and wool-top futures exchanges suspended trading until further notice.

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

Manufacture of Texas dairy products -- butter, ice cream, cheese, etc. -- fell 19 percent from November to December and was 24 percent below the production in December, 1949. As compared with December, 1949, the December, 1950 production of creamery butter was down 49 percent, American cheese output was off 18 percent, while ice cream manufacture rose 7 percent.

The mid-January index of prices received by Texas farmers for all agricultural commodities advanced 18 points, or 5 percent above the previous month, to reach a new record high of 380 percent of the 1910-14 average. This marks the third successive month of record-breaking index levels reported for Texas by the BAE. While higher prices for virtually all farm products contributed to the advance, chiefly responsible were the substantial increases in prices of meat animals and the sharply higher averages reported for wool, most feed grains and hay. Lower prices than a month earlier were recorded for citrus fruits, cottonseed, turkeys and eggs.

Honey production in Texas during 1950 was a new record of 15,850,000 pounds compared with the previous record of 3,373,000 pounds in 1949. There were 317,000 colonies of bees on Texas farms during 1950 compared with 311,000 in 1949. Bees averaged 50 pounds per colony last year compared with 43 pounds per colony in 1949. Increased acreage of Hubam and Madrid clovers has contributed materially to higher yields.

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