

Federal Reserve Bank of Dallas

C O T T O N

It was announced this week that the cotton exchanges will reopen on Thursday, March 8. Trade spokesmen have indicated that they are resuming trade with reluctance as they are still doubtful that controls on raw cotton prices can be applied successfully. The latest control order affecting cotton prices places control on prices at which individual cotton grades are to be sold by all members of the trade, with differentials for location, and differs from the original order which placed limits on prices at which individual cotton traders could sell.

The PMA reported a light volume of trading in cotton in the Southwest last week with prices ranging as high as 150 points above those prevailing on January 26, the last date cotton exchanges were open.

The parity price for cotton at mid-February was 33.11 cents per pound, compared with 32.98 a month earlier and 29.88 a year ago. The rise in parity price is significant because of its relationship to support prices. However, with market prices of cotton so far above parity, the real importance of support prices in 1951 is somewhat in doubt.

Cotton planting is underway in the Rio Grande Valley, principally in the irrigated section. Most of the dry-land acreage needs moisture before planting can be done. In the Abilene and Lubbock sections preparations for the 1951 crop are making good progress and, according to reports, the acreage will be increased substantially.

G R A I N S

Prices of grains on the Fort Worth Grain and Cotton Exchange declined during the past week. Trade reports indicate that the weakening of grain prices on this and other markets reflects an uneasiness relative to pending developments in the Big Four meeting in Paris. It is said that if the Western Powers and Russia should reach some accord, grain prices may slump further. On the local level the market influence of the improved moisture situation in the winter wheat belt was offset by reports of green bug and cutworm damage to the wheat crop in Oklahoma.

Tuesday's top grain prices on the Fort Worth market: No. 1 hard wheat, \$2.60-1/4; No. 2 barley, \$1.79; No. 2 white oats, \$1.19-3/4; No. 2 yellow corn, \$1.96-1/4 per bushel; and No. 2 yellow milo (sorghums), \$2.57 per cwt. These prices are from 1 to 5 cents under a week earlier. No. 2 white corn sold Tuesday for a top price of \$2.26-3/4 per bushel, or 2-1/2 cents over a week ago.

The USDA announced that the maturity date of CCC price support loans on certain 1950-crop grains will not be extended beyond the announced maturity dates, which are March 31, 1951 for grain sorghum and April 30, 1951 for wheat, oats, barley, and rye.

Rice markets were quiet during the week ended February 26, according to the USDA, with millers and distributors awaiting the announcement of definite price ceilings before making important additional commitments. Prices held at about the level of recent weeks.

L I V E S T O C K

Prices of hogs and lambs on the Fort Worth market made little net change during the past week, while prices of cattle declined. There have been reports that housewives are rebelling against high beef prices and that this resistance is being felt at the livestock markets.

Tuesday's top price for hogs was \$21.75, unchanged from a week ago. Woolled lambs brought \$38.00, likewise unchanged.

Slaughter cattle prices: steers, \$36.00; heifers, \$35.00; and cows, \$27.00 per cwt., off \$1.00 each. Slaughter calves at \$35.00 were down 50 cents, while feeder and stocker steers at \$38.00 were down \$3.00 from last week's top price.

Prices of goats on the San Antonio market were steady to strong last week. Some Medium and Good Angoras in the hair brought \$20.00 per cwt. A few Spanish and Angora kids sold as high as \$7.75 per head.

#### W O O L   A N D   M O H A I R

Business in the Boston wool market last week was generally in scoured woolen wools of domestic and foreign origin for government orders. Dealers continued to wait for some clarification of the price control orders which would allow trading in civilian wools.

A very small quantity of Ordinary 12-months Texas wool was reported contracted in a range of grease prices from \$1.25 to \$1.45 per pound. Business in mohair remained stagnant.

Wool production in Texas last year totaled 52,686,000 pounds, or 1% more than in 1949, according to the BAE. There were 6,886,000 sheep shorn with an average weight of 7.7 pounds per fleece. Farmers and ranchers of the State received \$33,719,000 from the sale of wool in 1950, or more than in any year since 1943.

Pounds of wool produced in other Southwestern states in 1950 with percentage changes from 1949: Louisiana, 405,000, up 7%; Oklahoma, 927,000, up 20%; Arizona, 2,651,000, down 1%; and New Mexico, 10,626,000, off slightly.

Mohair production in the 7 leading states in 1950 is estimated at 14,561,000 pounds, the smallest clip since 1927, but only slightly less than that produced in 1949. Arizona, Oregon, and Utah were the only states showing an increased production in 1950. Production in Texas, the leading mohair state, was the smallest since 1937. Fewer goats were clipped in Texas, although the weight of mohair per goat at 5.4 pounds was the highest on record for the State. In New Mexico and California the 1950 clip was the smallest on record, starting with 1909.

The value of mohair produced in the U.S. in 1950 amounted to \$11,049,000, an increase of 63% over 1949. Price per pound moved up sharply in 1950 and averaged 75.9 cents, which is the highest on record and compares with 46.3 cents in 1949.

#### F A R M   P R I C E   I N D E X E S

The BAE index of farm prices in Texas on February 15 was 392 percent (August 1909 - July 1914 = 100), compared with a 1935-39 average of 103 percent. This means that Texas farm prices, as a group, are almost 4 times as high as before World War II; they are 44 percent above a year ago.

The highest indexes are for wool, 702; meat animals, 573; truck crops, 471; oil bearing crops, 468; cotton, 337; and dairy products, 275. By way of contrast the index of fruit prices, mostly citrus, is only 47, and the index of potato prices is 179.

The index of prices paid by U.S. farmers, including interest, taxes, and farm wage rates, rose to 276 as of February 15. Higher prices for food, feeder livestock, feed, and building materials were primarily responsible for this rise.

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