Federal Reserve Bank of Dallas

COTTON

Trading was resumed on the cotton exchanges last Thursday, March 8, following an earlier announcement of ceiling prices on raw cotton. Average prices for spot cotton and old-crop futures on the 10 designated markets immediately rose to the ceiling of 45.14 and 45.39, respectively (15/16-inch Middling). These prices compare with 44.49 for spot cotton and 44.18 for March '51 futures on January 26, the last day of trading prior to March 8.

Trading in spot cotton has been relatively quiet as traders have experienced some difficulty in operating under the new ceilings. However, trading in futures has been quite active, and on Tuesday of this week new-crop futures reversed a downward trend that had been evident since the opening of the market last Thursday. Continued reports from the Lower Rio Grande Valley that planting was being delayed because of dry weather were a factor in strengthening the market.

Secretary of Agriculture Brannan has announced an extension of 1 month in the period covered by previously announced interim cotton export allocations. Originally, export licenses covering these allocations of 3,496,000 bales could not be issued after March 31. The extension moves the deadline to April 30.

Planting of cotton is still being delayed in southern areas by lack of moisture. Most of the irrigated section of the Lower Rio Grande Valley has been planted, with some cotton up as much as 6 inches. However, planting of dry-land cotton is being delayed, awaiting rain. A few fields are being dry planted in the Coastal Bend section.

GRAINS

Grain prices on the Fort Worth Grain and Cotton Exchange continued to show some weakness during the past week, although price changes were relatively small. Uncertainty over Korean situation and other national and international events appears to be the major factors causing unsettled market.

Tuesday's top grain prices on the Fort Worth market and changes from a week ago: No. 1 hard wheat, $2.65-3/4 per bushel, up 5 cents; No. 2 barley, $1.75 per bushel, off 4 cents; No. 2 white oats, $1.20 per bushel, unchanged; No. 2 yellow corn, $1.96-1/4 per bushel, unchanged; No. 2 white corn, $2.23-1/4 per bushel, off 3 cents; No. 2 yellow milo (sorghums), $2.56 per cwt., off 1 cent.

Wheat is reported to be making fair to good growth over the High Plains and northwest areas of Texas, although additional moisture and warm weather are generally needed to assure continued growth and development. Cutworms and greenbugs are still prevalent, although damage to date has not been particularly severe. In north and central Texas, both wheat and oats are making good progress under generally favorable moisture conditions.

Corn planting is active in central Texas and underway along the Red River. In the Coastal Bend counties and extreme south Texas seeding of both corn and sorghums is being delayed by the continued drought.

Rice markets continued quiet during the week ended March 5, according to the USDA. Very little rough rice remained to be marketed, while marketings of milled rice were small since both millers and distributors were awaiting announcement of more definite price ceilings. Growers are busy making preparations for seeding the new crop.

LIVESTOCK

Prices of livestock on the Fort Worth market made only small changes dur-
ing the past week, but the tone of the market was definitely stronger than a week earlier. Tuesday’s top prices and comparisons with a week ago: hogs, $22.25 per cwt., up 5 cents; slaughter steers, $35.00 per cwt., off $1.00; slaughter heifers, $36.00 per cwt., up $1.00; slaughter calves, $36.00 per cwt., up $1.00; feeder and stocker steers, $40.00 per cwt., off $2.00; woolly lambs, $38.00 per cwt., unchanged; shorn lambs, $35.00 per cwt., up $2.00.

The demand for replacement cattle and sheep continues strong, despite the lack of green feed in southern and southwestern sections.

The U.S. 1951 early lamb crop is reported to be 2% larger than a year ago, according to the USDA. This increase continues the upswing which began a year ago, and largely reflects the increase in the number of breeding ewes. Early lambs have made excellent progress in Western states, but the cold, severe winter weather has slowed their development in the southeastern early lambing states. However, with the larger early crop, marketings of lambs before July 1 are also expected to be larger.

In Texas early lamb prospects are only fair and generous rains are urgently needed to start green feed in the major sheep-producing areas. However, losses in Texas have been light so far. The USDA points out that marketings of grass-fat lambs in Texas probably will start about mid-May with the spring movement of yearlings beginning about April 1 -- the usual time. While inventories of old-crop lambs were somewhat larger on January 1 than a year earlier, the tendency to increase sheep numbers is expected to hold down marketings somewhat.

Range conditions in Texas as of March 1 are reported at 69% of normal, compared with 83 a year ago and 10-year average of 76. The condition of cattle is reported at 77% of normal, compared with 81 a year ago and 10-year average of 78.

Revisions in carcass and slaughter grades for both veal and calves became effective March 10. Changes in carcass grades are: (1) previous "Choice" and "Prime" grades are combined under the name "Prime," (2) "Choice" grade is renamed "Good," (3) established a new grade called "Good," which includes meat from the top half of previous "Commercial" grade, and (4) continues the lower half of the former "Commercial" grade as "Commercial."

WOOL AND MOHAIR

Business was dull in the Boston wool market as dealers continue to mark time while awaiting a clarification of the general price control regulation. There was some contracting of 8-month Texas wool for spring delivery at $1.50 per pound, grease basis. A small volume of early shorn Medium fleece wools from native states was purchased during the week at $1.20 to $1.25 per pound, grease basis.

Wool auctions were held last week in Australia with reports indicating a very firm market.

A few cars of spring mohair contracted late last year were shorn and shipped from Texas.

POULTRY AND EGGS

Prices of poultry and eggs on the Dallas market remain generally unchanged from a week ago with hens 3 to 4 pounds and over selling at 30 to 32 cents per pound; hens, 3 to 4 pounds, 26 to 28 cents per pound, and fryers, 27 to 30 cents per pound. Eggs: current receipts, 37 cents per dozen and No. 1 infertiles at 38 cents per dozen.

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