

## Federal Reserve Bank of Dallas

C O T T O N

Activity in cotton markets increased during the past week, although the volume of trading was relatively small. Mill buying was limited mostly to small mills, as larger operators apparently have already covered their requirements. Sales for export were relatively small in volume, although inquiries from foreign sources were numerous. All merchants and shippers continue to be cautious in the market. Trading in the cotton gray goods market was more active than in several weeks, but the volume of sales was not large. Some commitments were made for second, third, and fourth quarter delivery.

Spot cotton prices remained at ceilings, with the average price at the 10 designated markets at 45.14 cents per pound for 15/16-inch Middling. Old-crop futures also held at ceiling prices, but new-crop futures continued to fluctuate within a narrow range in response to reports of progress of the 1951 crop. Compared with a week ago, prices of all futures from July 1951 to July 1952 were up approximately 77 points but still more than 3 cents below the ceiling.

Prospects for the 1951 crop are dimmed by lack of moisture in virtually all sections of Texas. A sharp freeze on March 13 killed an estimated 23,000 acres of young cotton in the Lower Rio Grande Valley, and on March 16 it was announced that planting in the Valley could be continued until April 15 - a 15-day extension. A shortage of seed for replanting, plus insufficient irrigation water and virtually no rain, continues to hamper Valley farmers.

G R A I N S

All grain prices declined during the past week on the Fort Worth Grain and Cotton Exchange. Wheat dropped as much as 6 cents per bushel but later recovered most of this loss. Favorable war news and improvement of the new-crop in Kansas contributed to the decline, while increased export business was a major factor in the recovery of wheat prices. Top prices on the Fort Worth Grain and Cotton Exchange Tuesday, March 20, and comparisons with a week earlier: No. 1 hard wheat, \$2.64 per bushel - off 1-3/4 cents; No. 2 barley, \$1.71 per bushel - off 4 cents; No. 2 white oats, \$1.19-3/4 per bushel - off 1/4; No. 2 yellow corn, \$1.95 per bushel - off 1-1/4; No. 2 white corn, \$2.21-1/2 per bushel - off 1-3/4; No. 2 yellow milo (sorghums), \$2.54 per cwt. - off 2 cents.

A report by the USDA of farmers' intentions to plant indicates that 1951 corn acreage for the Nation will be up about 2,000,000 acres from last year but nearly 4,000,000 acres below the 10-year (1940-49) average. Spring wheat acreage is estimated at 21,850,000 - up more than 3,000,000 from 1950, and the acreage of sorghums for all purposes is estimated at 12,540,000 acres - 4,000,000 less than a year ago. These acreages are somewhat less than had been asked by the United States Department of Agriculture. Shortage of labor and a reluctance to plow up improved pastures and other forage crops for grains are the principal reasons given by the USDA for farmers' failure to meet the higher goals.

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

Progress of commercial vegetables in Texas was seriously retarded by sub-freezing temperatures last week and generally poor growing conditions following the freeze. Tomatoes and sweet corn in the Lower Rio Grande Valley were damaged, while cucumbers in the Falfurrias section and cantaloupes at Laredo were killed. All early planted watermelons were hurt but may recover. This latest setback to

commercial vegetable production in the State comes on top of several earlier freezes and severe drought which have already reduced prospective output sharply.

### L I V E S T O C K

Price changes on the Fort Worth livestock market were relatively small during the past week, although a weaker tone was evident in the stocker and feeder steers and hog markets. Failure of new range feed to develop as expected has been a factor in the slower stocker and feeder trade.

Tuesday's top prices per cwt. and comparisons with a week ago: hogs, \$21.75 - off 50 cents; slaughter steers, \$37.00 - up \$2; slaughter heifers, \$36.00 - unchanged; slaughter cows, \$28.00 - unchanged; slaughter calves, \$36.00 - unchanged; stocker and feeder steers, \$36.00 - unchanged; woolled lambs, \$36.00 - unchanged; shorn lambs, \$33.50 - off \$1.50. Marketings of spring lambs are relatively heavy, with the top price of \$36.00 on Tuesday.

### W O O L   A N D   M O H A I R

Business in the Boston wool market in the past week was dormant in the civilian trade and slow for government orders. Some original bag territory wools contracted late last year were sold, as well as a small quantity of early shorn medium fleece wool. Some 3/8s and 1/4 blood fleece wools were purchased in Ohio at prices as high as \$1.35 per pound to the grower. A small quantity of 8-months Texas wool was purchased during the week at \$1.50 and \$1.51 per pound, grease basis. One of the larger accumulations of mohair was sold in Texas at \$1.90 per pound for adult and \$2.25 per pound for kid.

The USDA announced last week that prices of the 1951 wool clip will be supported at 90 percent of parity. Current prices are substantially above this level, thus the support program is not likely to be important for this commodity. Prices of the 1951 mohair clip will also be supported but at 74.1 percent of parity. Prices of mohair are also substantially above this level.

1950 wool production in Texas is now estimated by the USDA at 52,686,000 pounds, which was slightly more than production in 1949. Fleece weights averaged 7.7 pounds, compared with 8 pounds in 1949, but the number of sheep shorn in 1950 was nearly 300,000 larger than in 1949, thus accounting for the slightly higher total production. Ranchmen received an average of 64 cents per pound for the 1950 clip, compared with 56 cents for the 1949 clip. Total value of the 1950 clip is estimated at \$33,719,000.

Mohair production in 1950 in Texas is estimated at 13,862,000 pounds - slightly less than the 1949 clip. An average fleece weight of 5.4 pounds was the highest of record and almost offset a reduction in the number of goats shorn of about 100,000. Mohair prices advanced sharply during the fall and averaged 77 cents per pound, compared with 47 cents in 1949. The total mohair clip was valued at \$10,674,000.

### P O U L T R Y   A N D   E G G S

Prices of poultry and eggs are generally unchanged from a week ago. Broiler prices continue steady to firm despite near-record placements of chicks with broiler producers. Broiler chick production in Texas in February totaled 3,908,000 - one-third more than the same month in 1950.