

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices are holding steady at ceiling levels. Middling 15/16-inch cotton is averaging 45.14 cents per pound in the 10 designated markets. The comparable Dallas price is 44.77 cents per pound.

Cotton futures prices have shown considerable weakness during the past 2 weeks; this is particularly true of prices based on new-crop deliveries. For example, October 1951 futures sold Tuesday, April 3, on the New Orleans market at 40.01 cents per pound, compared with 41.72 cents 2 weeks ago. Unfavorable factors in the textile industry and improved prospects for the 1951 crop are said to be responsible for this decline.

A USDA report says that cotton planting has made good progress in southern and central Georgia; planting has begun in South Carolina, although retarded by rains. Heavy rains delayed work in the middle Gulf Area last week. Drought-breaking rains in the southern half of Texas improved prospects, with planting pushed as soils dried. There is need, the report says, for warm weather over the main Cotton Belt, while warmth and general rains would improve prospects in northwestern Texas, New Mexico, and Arizona.

The PMA reports that the Coastal Bend section of Texas will plant more acreage to cotton than in 1949, with a large part of the feed and flax acreage going to cotton. Planting permits in the Valley have passed the 800,000-acre mark, and there have been unofficial forecasts of a 1,000,000-acre-plus crop in that area.

The cotton trade appears to have attached considerable importance to the increase in the parity price of cotton between February 15 and mid-March. The parity price on the latter date was 33.60 cents per pound - up 49 points for the month then ended and compares with 30.26 cents a year ago.

G R A I N S

Prices of most grains on the Fort Worth Grain and Cotton Exchange made only minor changes during the past week. The principal exception is wheat, which rose several cents. No. 1 hard wheat sold Monday, April 2, at a top price of \$2.70-1/4 per bushel, compared with \$2.65-1/4 a week earlier, but was down to \$2.69 on Tuesday of this week. Wheat prices, although higher than a week ago, have been somewhat unstable; reports of exports and ECA grants, together with conflicting estimates of production prospects in the winter wheat belt, have caused alternating currents of thought and action in the grain markets.

Tuesday's top prices for other grains on the Fort Worth market: No. 2 barley, \$1.69; No. 2 white oats, \$1.19-3/4; No. 2 yellow corn, \$1.93-3/4; No. 2 white corn, \$2.15-3/4 per bushel; and No. 2 yellow milo (grain sorghums), \$2.52 per hundred pounds.

The Houston rice market has been rather quiet, with prices holding at or near ceiling levels. No. 1 Rexoro and Blue Bonnet were quoted last week at \$11.75 to \$12.00 per hundred pounds, milled basis.

The USDA announced that the 1951 rice crop will be supported at not less than a national average of \$4.90 per hundredweight. This figure is 90 percent of the rice parity price as of February 15; however, if the parity price rises between now and August 1, the support price will be increased accordingly. The support price last year was \$4.56 per hundredweight.

The PMA reports that cumulative sales of US wheat and flour under the International Wheat Agreement have reached the US 1950-51 guaranteed quantity of

248 million bushels and that sales of wheat or flour, regardless of destination, will no longer qualify for export payment under terms of the Wheat Agreement program.

Through February 1951, US farmers had put approximately 365 million bushels of 1950-crop wheat, barley, oats, rye, flaxseed, corn, and grain sorghums under CCC price support. The comparable figure a year earlier was 830 million bushels.

#### L I V E S T O C K   A N D   M E A T

Hog prices on the Fort Worth market continue to decline seasonally. Tuesday's top price was \$21.00 per cwt., compared with \$22.00 a week ago. A year ago the top price was \$16.00 per cwt. Market analysts foresee further downward seasonal adjustment in hog prices before they begin rising again.

Cattle prices in Fort Worth have made little change during the past 2 weeks. Tuesday's top price for slaughter steers was \$37.00 per cwt. Reflecting the improved moisture situation, feeder and stocker cattle are holding strong or rising further. F&S steers sold Tuesday for a top price of \$40.00 per cwt., while F&S calves reached \$46.00.

Medium and Good Angora goats sold on the San Antonio market last week at prices ranging up to \$21.00 per cwt. Most 25-30 pound kids brought \$5.00 to \$6.00 per head.

Mexican cured meat now may be imported into the United States under relaxed rules against the foot-and-mouth disease (aftosa). Fresh, chilled or frozen beef, veal, mutton, lamb, and pork are still prohibited from coming into the US from out of any country with aftosa.

The USDA announced that effective April 30, 1951, lamb, yearling mutton, and mutton carcass grades and grades for slaughter (live) lambs and sheep will be changed in line with proposals announced in February. The changes reduce the number of grades for lamb and yearling mutton from six to five and eliminate the use of Commercial grade name.

#### P O U L T R Y   A N D   E G G S

Prices of poultry on the Dallas wholesale market have held generally steady for the past several weeks. Hens weighing 3 to 4 pounds are bringing 26 to 28 cents per pound. Hens weighing 4 pounds and over are selling at 30 to 32 cents per pound. Arkansas fryers are commanding 29 cents per pound; local fryers are quoted at 26 to 27 cents. No. 1 turkey hens are holding at 32 to 35 cents per pound.

Egg prices strengthened slightly this week. No. 1 eggs are bringing 37 to 38 cents per dozen; No. 1 infertile are 2 cents higher.

The increased rate of hatching activity, compared with a year earlier, indicates that US farmers will raise as many as or more chickens this year than in 1950. One factor inducing a large hatch this year is the present level of egg prices, which is about one-third higher than a year ago.

#### U. S.   F A R M   P R I C E S

The BAE report on farm prices issued last week shows that prices averaged slightly lower at mid-March than a month earlier. The index of farm prices at 311 was off 2 points. Small to moderate declines in prices of food grains, dairy products, and hogs, together with sharp declines for many truck crops, more than offset price increases for poultry and eggs, cotton and cottonseed, meat animals other than hogs, and wool.

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