

Federal Reserve Bank of Dallas

G R A I N S

Earlier forecasts of wheat crop failure in Texas were substantiated this week when the USDA announced its April 1 estimate of 19,248,000 bushels, which compares with last year's poor crop of 22,712,000 bushels and the 1949 crop of 100,398,-000 bushels. Drought, freezes, and insects have done inestimable damage to the crop, and acreage abandonment will be unusually large.

The U.S. winter wheat crop was estimated at 726 million bushels, compared with 750 million in 1950 and more than a billion bushels in 1947 and 1948.

Wheat prices on the Fort Worth Grain and Cotton Exchange declined during the past week. On Tuesday, April 10, No. 1 hard wheat sold for a top price of \$2.66-1/4 per bushel, compared with \$2.69 a week earlier; prices Tuesday were about 1 cent above a month ago, however.

Prices of corn, barley, and grain sorghums rose during the past week, while oats declined. Tuesday's top price for No. 2 yellow corn was \$1.98-1/4 per bushel - up 4-1/2 cents; No. 2 white corn at \$2.16-3/4 per bushel was up 1 cent. No. 2 barley brought \$1.70 per bushel - 1 cent over a week earlier but 9 cents under a month ago. Grain sorghums (No. 2 yellow milo) sold as high as \$2.57 per cwt., which was 5 cents over a week earlier.

Rice markets are holding steady; mills in Houston are quoting No. 1 Blue Bonnet and Patna at \$11.75 to \$12.00 per 100 pounds.

C O T T O N

Spot cotton prices are holding firm at ceiling levels; cotton futures are declining. October 1951 futures closed Tuesday, April 10, at 39.40 cents, compared with 40.01 a week ago and 41.72 3 weeks ago. Increasing signs of a large 1951 cotton crop are contributing to this decline.

A report from the Lower Rio Grande Valley this week indicated that cotton planting permits had exceeded 930,000 acres, with 5 days left in which to obtain permits. It was still expected that permits would top 1 million acres before the April 15 deadline.

Practically all intended cotton acreage in the Coastal Bend was planted by the end of last week, according to a BAE report. In central and eastern counties of Texas a limited cotton acreage was planted, but most farmers are waiting for warmer weather.

L I V E S T O C K

Cattle prices on the Fort Worth market have made virtually no significant changes during the past week. Tuesday's top prices: slaughter steers and calves, \$37.00; heifers, \$36.00; and cows, \$29.00 per cwt. Feeder and stocker steers held at \$40.00, while F&S calves sold for \$46.00 per cwt.

Spring lambs reached \$35.00 per cwt. on Tuesday. Some stock show lambs sold last week at \$40.00.

Hog prices are fluctuating within narrow limits, which suggests that the seasonal decline may have run its course. Tuesday's top price was \$21.50 per cwt. - 50 cents over a week earlier and 50 cents under a month ago.

Increased goat marketings in San Antonio last week produced steady to 50 cents lower prices. Medium Angoras in the hair brought \$20.50; the bulk of Common and Medium shorn Angoras and Spanish type moved at \$16.00 to \$17.00 per cwt. Kids sold up to \$6.50 each.

WOOL AND MOHAIR

It was announced last week that wool prices will be supported in 1951 at a national average of 50.7 cents per pound, which compares with 45.2 cents in 1950. Mohair will be supported at a national average of 53.4 cents per pound, compared with 49.1 cents last year.

Market prices of both wool and mohair are far above support levels, and there is considerable doubt that sheep and goat raisers will find it necessary to use the support programs this year. No wool or mohair was acquired under the 1950 program, and at present the USDA has no stocks of either wool or mohair.

There are some indications, however, that the rapid rise in wool prices which has been in progress since the start of the Korean War may have run its course, at least for the present. World wool prices have sagged substantially; prices in Australia are off about 10 percent. It is reported further that domestic supplies of woolen clothing are adequate and there is no serious immediate wool shortage, although stocks are admittedly low. When trading in wool and wool tops futures was resumed this week, prices fell the daily limit of 10 cents per pound on Monday and again on Tuesday.

POULTRY AND EGGS

The most significant development in the poultry and egg market during the past week has been the rise in egg prices; they usually are declining at this season of the year. Prices of eggs on the Dallas wholesale market are up 2 to 3 cents per dozen, compared with a week ago. Current receipts (ungraded eggs) sold Tuesday, April 10, for 40 cents per dozen, compared with 37 to 38 cents a week earlier; No. 1 infertile eggs brought 42 cents, vs. 39 to 40 cents early last week.

Several reasons for the unexpected rise in the egg market have been advanced. One explanation is that many farmers sold their hens last winter when egg price supports were discontinued and fewer eggs are being produced. On the other hand, the demand from several sources is unexpectedly large for this season of the year.

Prices of hens on the Dallas wholesale market remain unchanged from several weeks ago. Fryers, on the other hand, have been declining and are 3 cents per pound below the late March level. Local fryers are bringing 26 to 27 cents per pound, while Arkansas fryers are commanding 28 cents on farms.

MISCELLANEOUS

The USDA has announced that the 1951 support price for honey of wide acceptability for table use will be increased from 10 to 10.1 cents per lb. The support price for honey of limited acceptability will remain at 9 cents per pound.

A report released by the Bureau of the Census this week shows that the number of farms in Texas in 1950 totaled 331,494, reflecting a decrease of 21 percent since 1940. There were 501,000 farms in the State in 1935, but the number has declined with each census since that year. The numbers of farms in other southwestern states also have declined since 1940: Louisiana, down 17 percent; Oklahoma, off 21 percent; New Mexico, off 31 percent; and Arizona, lower by 44 percent. These figures indicate a trend toward consolidation of farming units and increasing the size of individual farm operations - a trend in keeping with the mechanized and more scientific type of farming being developed.

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