

Federal Reserve Bank of Dallas

L I V E S T O C K

The Government last Saturday announced a new beef price-control program calling for a rollback of beef prices an average of about 10 cents per lb. at the butcher shop by October 1. The program provides for progressively reduced ceilings for live cattle. Retail prices of beef will remain near current levels for the present time, although prices of the various grades will be placed under specific dollars-and-cents ceilings.

The new ceilings, OPS said, will bring beef prices by fall back to about where they were when the Korean War began. Retail prices next fall are to average about 10 percent lower than now; prices received by farmers for cattle will be about 18 percent less.

The new regulations governing prices of beef cattle do not establish ceilings by grades in the usual sense, but rather are designed to hold down prices by placing ceilings on prices packers may pay for animals of given grades and specified average dressing yields. In order to allow price flexibility to meet changing demand and supply situations, the price ceiling formula permits packers to pay above ceiling levels for some cattle, provided they pay below ceiling for others. This is called the "drove compliance deal."

Following announcement of price ceilings on beef cattle, prices paid for slaughter cattle on the Fort Worth market early this week fell \$1.50 to \$2.00 per cwt.; feeder and stocker steers declined \$3.00. Tuesday's top prices for slaughter cattle: steers and calves \$35.00, heifers \$34.50, and cows \$27.50; feeder and stocker steers brought \$38.00 per cwt.

Hog prices on the Fort Worth market are holding relatively steady; daily top prices continue to fluctuate between \$21.00 and \$22.00 per cwt.

Spring lambs sold Tuesday for \$35.50 per cwt., or near the same level of the past 2 weeks.

Goat sales on the San Antonio market developed a steady-to-strong trend last week. Medium and a few Good Angoras in the hair scaling 59-68 lbs. brought \$22.50 to \$23.00 per cwt. Most kids secured \$5.00 to \$6.50 per head, with a few up to \$7.00.

W O O L A N D M O H A I R

There were few sales in the Boston wool market last week; prices were difficult to quote accurately. Reports from Australia showed the market steady, with prices unchanged.

Some 12-months contracted Texas wool has been shipped east, while other shorn wool in the state has been delivered to warehouses.

Some original bag mohair was purchased in very small lots in Texas last week at \$1.30 per lb.

C O T T O N

Spot cotton prices generally were reported at ceiling levels last week and early this week. Offerings last week were light, demand was slow, and reported sales were the smallest in nearly 2 years.

Cotton chopping was under way in extreme south Texas and in the Coastal Bend last week. Planting neared completion in central counties, and the improved moisture conditions in north central and northeast Texas favored increased seeding activity. All signs still point to a very large cotton acreage in the Eleventh Federal Reserve District in 1951.

Cotton consumption by U.S. mills throughout March this season consisted of 7,110,000 bales of American Upland, 14,500 bales of American-Egyptian, and 127,000 bales of foreign growths, according to the Bureau of the Census. Corresponding figures for the same 8 months last season are 5,848,000 bales of Upland, 1,900 bales of American-Egyptian, and 123,000 bales foreign.

GRAINS

It is expected that the USDA report on May 10 will show a steady decline in wheat crop prospects. Surveys made by several private organizations indicate that wheat farmers in northeastern Texas and southern Oklahoma are giving up their 1951 crops as virtually lost. A Wichita Falls newspaper, reporting on a survey made last week, stated that an average of 75 percent of the crop had been abandoned in 28 counties in that area. In some counties the loss runs to 90 percent. Young County, in north Texas, has suffered an estimated 95-percent loss. The 28-county survey shows that the potential yield for the area has been cut to less than 5 million bushels, compared with a harvest of 21 million bushels in 1950, which was not a bumper year.

Grain prices on the Fort Worth Grain and Cotton Exchange have made few significant changes during the past week. Tuesday's top price for No. 1 hard wheat was \$2.64-1/2 per bushel, or 6 cents under a week earlier. No. 2 yellow corn at \$2.03-1/2 per bushel was up 3 cents; No. 2 white corn at \$2.16-1/2 was off 1 cent. No. 2 yellow milo brought \$2.67 per cwt., or 2 cents over a week earlier.

Rice mills in Texas and Louisiana maintained a steady tone during the week ended April 23, but trading was seasonally slow. Distribution of milled rice since the beginning of the season, however, has exceeded that for the same period last year by about 400,000 cwt. Supplies in prospect for the remainder of the season are about 1.5 million cwt. below a year ago. Mill quotations remain mostly at ceiling levels.

Seeding of the 1951 rice crop is making good progress in California, Texas, and Louisiana, but planting continues to be delayed by rains and wet soil in Arkansas. A large rice acreage is expected in the U.S. this year.

The USDA reported last week that July-March exports of U.S. grains and grain products totaled 386 million bushels (grain equivalent), compared with 393 million bushels (grain equivalent) in the same period of 1949-50. Exports of wheat, flour, and macaroni were considerably lower, while exports of other grains and products showed an increase.

MISCELLANEOUS

Prices received by U.S. farmers for milk at wholesale and butterfat declined less than seasonally in March and early April. Milk at \$4.51 per cwt. in March was 96 percent of parity, while butterfat at 69.7 cents per pound was 90 percent of parity. Further seasonal declines for milk are likely during the flush period this spring, but both will move higher later in the year, says the USDA.

The farmer's share of the dollar that consumers spent for farm food rose from 50 cents on January 15 to 51 cents on February 15 and remained at approximately 51 cents in mid-March. The farmer's share was 48 cents in February and 47 cents in March 1950.

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