Federal Reserve Bank of Dallas

COTTON

Spot cotton prices remain virtually unchanged and generally are quoted at ceiling levels. Southwestern export markets continued moderately active during the past week. Inquiries from domestic and export sources for old and new crop cotton were not very numerous, according to the FWA.

Unofficial forecasts of the Texas Cotton Crop this year range as high as 13 million acres; with favorable growing conditions this should produce a crop of at least 7 million bales.

Cotton export allocations for an additional 200,000 bales have been announced by the USDA. This brings total allocations for the year to 3,696,000 bales. These allocations, plus 125,000 bales exported prior to the establishment of controls and about 400,000 bales expected to be shipped to Canada which are not subject to allocations, will bring total exports for the current season to approximately 4,200,000 bales.

GRAINS

The USDA has increased the support level for 1951-crop grain sorghums from 65 to 75 percent of parity. The national average support price for sorghums grading No. 2 or better will be $2.17 per cwt., compared with $1.87 last year. The increase is designed to encourage larger plantings of sorghums to replace winter wheat acreage already abandoned in the Southwestern States.

Following the sorghum price support announcement sorghum prices on the Fort Worth Grain and Cotton Exchange began to rise slowly. On Tuesday, May 8, No. 2 yellow milo sold for a top price of $2.71 per cwt., 4 cents over the week earlier and the highest in almost two years.

Prices of other grains on the Fort Worth market made few noteworthy changes during the past week; Tuesday's prices, as compared with a week earlier, show wheat off 1 cent, oats up 3 cents and white corn up 2 cents per bushel.

Rice markets continue dull with prices holding at about ceiling levels. Very little rough rice has been marketed by farmers during the past 2 weeks as they have been busy seeding the new crop. Houston is quoting No. 1 Blue Bonnet and Patna milled rice at $11.75 to $12.00 per hundred pounds.

The USDA has revised standards for rough rice, brown rice, and milled rice; these become effective July 1, 1951. The principal revision is development of new standards for rough rice which provide for grading of rice on the basis of estimated quantity and quality of milled rice that can be produced from a given lot of rough rice.

LIVESTOCK

Prices of virtually all classes of livestock on the Fort Worth market declined during the past week. Most classes of cattle fell 50 cents per cwt., hogs declined 75 cents, spring slaughter lambs dropped $2.00 per cwt., while shorn feeder lambs declined $1.50.

Prices of goats on the San Antonio market were weaker last week and closed about $1.00 lower.

Meat production during the remainder of 1951 is expected to exceed last year by a greater margin than the small gain realized in the first quarter, says the BAE. Considerably more pork, slightly more beef, but less veal, lamb and mutton than last year are in prospect for the months ahead. Meat consumption per person for the entire year may be 2 to 3 lbs. larger than the 14.5 lbs. in 1950.
AGRICULTURAL NEWS OF THE WEEK

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WOOL

Conditions in the Boston wool market last week remained about unchanged from the previous week. Weakness was reflected in declining wool futures prices. Some dealers in Texas reported a small volume of wool sold last week; the price was the equivalent of around $3.00 per lb., clean basis, delivered to Boston. However, wool trading was generally dormant throughout the State.

POULTRY AND EGGS

Prices of poultry and eggs in the Dallas wholesale market have made no noteworthy changes during the past week, except for a decline of 1 cent per lb. for Arkansas fryers; local fryers remained unchanged. Commercial broiler placements on Texas farms during the week ended April 28 totaled 1,287,000, compared with 750,000 in the same week last year. Broiler prices in the State averaged 30.5 cents per lb.

FARM REAL ESTATE VALUES

Farm real estate values in Texas on March 1 were 19 percent above a year earlier, according to a report released last week by the BAE. Increases for the 12-month period in other southwestern states: Arizona and Oklahoma, 17 percent; New Mexico, 11 percent; and Louisiana, 7 percent. The increase for the United States during the same period was 11 percent.

The upward pressure on farm land prices, says the report, has naturally been stronger in those areas where prospects of high farm income in 1951 and later appear to be the most promising. More than half of the increases in farm land values in most states during the past year has occurred since November.

Increases in dollar value of farm land in Southwestern States since 1935-39 are: Arizona, up 11½ percent; New Mexico and Oklahoma, 16½ percent; Texas, 126 percent; and Louisiana, 118 percent.

FARM COMMODITY PRICES

Farm prices in Texas on April 15 averaged a new record high; the BAE index reached 399, compared with 271 a year ago. The index of prices of crops was 341, vs. 225 last year. The price index for livestock and livestock products reached 477, vs. 340 on April 15, 1950.

The United States farm commodity price index of April 15 was 309, having declined 2 index points for the second consecutive month.

The Parity Index (Index of prices paid by farmers, including interest, taxes, and wage rates) rose 3 points during the month ended April 15, reaching 283 percent of the 1910-14 base period, a new record high. The increase was mainly the result of higher wage rates that farmers were paying for hired labor.

MISCELLANEOUS

A tentative minimum average support price of $230.56 per ton for 1951-crop farmers stock peanuts of all types has been announced by the USDA. The rate was $216.00 per ton in 1950.

Farm operators and assistants have been added to the list of critical occupations by the Labor Department. The list is used as a guide in selection of manpower for the Armed Services.

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