

## Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices generally are quoted at or near ceiling levels this week. However, cotton futures continue to drift downward. October 1951 futures on the New Orleans Exchange closed at 38.89 cents on Tuesday, May 22, compared with 39.47 a week earlier and 41.59 two months ago.

The USDA announced last week further details concerning its price support program for the 1951 cotton crop. The CCC will make interim price support loans available to eligible producers in the early harvesting areas on 1951-crop upland cotton prior to August 1, 1951 at 29.68 cents per pound, basis Middling 7/8-inch cotton at average location. Premiums and discounts for all qualities of 1951 upland cotton were also announced.

The interim loan rate for 1951-crop Middling 15/16-inch cotton will be 125 points (1.25 per pound) above the rate for Middling 7/8-inch cotton, or 30.93 cents per pound. The interim price support loan rate will be in effect until the final loan rate is announced about August 1, 1951.

Should parity as of August 1, 1951 be at the present level, the CCC loan rate for the 1951 cotton crop will be about 31.60 cents per pound for Middling 15/16-inch at average location, compared with 29.45 cents for the 1950-crop.

Cotton exports during the 9 months, August through April this season, totaled nearly 3.4 million bales and are expected to reach 4.2 million bales for the entire season, compared with 5.8 million bales exported in the 1949-50 season.

G R A I N S

Prices of most grains on the Fort Worth Grain and Cotton Exchange declined further during the past week. Hardest hit was wheat, which fell 5 cents per bushel. No. 1 hard wheat sold on Tuesday of this week at \$2.57-3/4 per bushel, or 13 cents under the late April peak. Despite the dark outlook for winter wheat production in the Southwest this season, wheat prices are lower than at any time since December.

No. 2 white oats sold in Fort Worth Tuesday for a top price of \$1.11-3/4 per bushel, or 4 cents under a week ago and 11 cents under the February peak.

No. 2 yellow corn, at \$1.94-1/2, was off 4 cents for the week and 6 cents under the late April level. No. 2 white corn experienced no net change during the past week, holding at \$2.12-1/2 per bushel.

Sorghum grain prices, after rising to \$2.71 per cwt. early in May following the announcement of higher price support this year, have declined 16 cents and are lower than at any time in more than a month.

Wheat futures on the Chicago Exchange have declined sharply since late April. July 1951 futures closed Tuesday, May 22, at \$2.38-7/8, compared with \$2.52-3/8 about a month ago. September 1951 futures at \$2.41-1/2 were off 13 cents.

Rice markets in Texas and Louisiana have weakened somewhat, after holding steady for several weeks. Although Houston markets continue to quote No. 1 Patna and Blue Bonnet at \$11.75 per 100 pounds, discounts of 25 to 50 cents are reported to have been offered last week.

The bulk of the southern rice acreage has been planted. The crop is making generally favorable progress in most sections.

L I V E S T O C K

Livestock prices on the Fort Worth market strengthened slightly last week and early this week, after having dropped sharply following announcement of price controls on beef cattle. Slaughter cattle prices have regained virtually all the loss, although feeder and stocker steers are still \$3.00 below the late April level.

Tuesday's top prices for slaughter cattle: steers and calves \$37.00; heifers \$36.00; and cows \$29.00. Feeder and stocker steers brought \$38.00 per cwt.

Hogs sold this week for a top price of \$21.50 per cwt., which is the highest level reached in a month.

Fort Worth lamb prices: spring slaughter lambs \$34.00, and shorn feeder lambs \$28.00 per cwt.

Goats on the San Antonio market sold steady last week, with some lots 50 cents higher. Goats sold up to \$17.00 per cwt., while the top price for kids was \$7.00 each.

P O U L T R Y   A N D   E G G S

Prices of poultry and eggs in the Dallas wholesale market have remained virtually unchanged for the past week, except for a decline of 1 to 2 cents per dozen for ungraded eggs.

During the week ended May 12 a total of 1,253,000 broiler chicks were placed on Texas farms, bringing the total for the year up to about 22 million, compared with 14 million to the same week last year.

Broiler prices in Texas during the week ended May 12 averaged 26.9 cents per pound, compared with 28.6 cents in the previous week and 30.7 cents a year ago.

Commercial hatchery production in Texas during April totaled 12.4 million chicks, or 3 percent more than in the same month last year, according to a BAE report this week. Total production for the first four months of 1951 was 3 percent above the same period in 1950.

F A R M   I N C O M E   O U T L O O K

Farmers' net income in 1951, says the BAE, will be 30 percent or more above the \$13 billion they realized last year. In fact, the dollar increase from 1950 to 1951 is likely to be the largest ever recorded in a single year--probably sufficient to wipe out all the declines that have occurred during the past three years. If an increase of this size actually takes place, it will raise farmers' net income back to around the level of \$17.8 billion of 1947.

In contrast, nonfarm personal income, which has set a new record high in every year since 1940, will reach another all-time peak in 1951, at least 25 percent above its 1947 level.

Farm production expenses are rising along with gross farm income; but the percentage increase from 1950 to 1951 is expected to be almost twice as large for gross income as for expenses.

Cash receipts from farm marketings, the principal element of farmers' gross income, may be up about one-fourth from the 1950 total of \$27.9 billion.

Cash receipts will be up considerably for both crops and livestock with prospects for livestock on the whole somewhat more favorable than for crops.

The total volume of crop marketings in 1951 may be up 10 percent; sales of livestock and livestock products will show a smaller increase.

W. M. Pritchett  
Agricultural Economist