

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices were generally unchanged, with the 10-market average for 15/16-inch Middling reported at 45.18 cents per pound on Tuesday, June 5. Sales were generally light and largely confined to rounding out previous commitments. Interest in the new crop is increasing, with some forward sales of 1951 Rio Grande Valley crop reported at prices ranging from 150 to 350 points above the October futures.

Cotton futures continue to decline, with all new-crop months selling below 37-1/2 cents per pound on Tuesday of this week. October 1951, at 37.45, was off 30 points from a week earlier and nearly 1-1/2 cents below 2 weeks ago.

Parity price for cotton increased for the thirteenth consecutive month and on May 15, 1951, was 33.85 cents per pound. This compares with 33.73 a month earlier and 30.75 a year ago. Should parity on July 15 be at the present level, the loan rate for the 1951 crop will be 31.72 cents per pound for 15/16-inch Middling at average location.

Manufacturers' inventories of cotton textiles at the end of March 1951 were considerably above a year ago. The ratio of inventory stocks to sales on that date was 2.0, compared with 2.5 on December 31, 1950, and 1.8 in March a year ago.

Planting of the 1951 crop in the Southwest is virtually complete. Reports early this week indicated that most fields in the High Plains had been planted, although severe storms the night of June 5 are expected to necessitate some replanting. In the Abilene area, private estimates indicate there will be 2,300,000 acres planted to cotton. The Valley crop looks very promising, and private estimates indicate a 640,000-bale crop. Some bolls are reaching maturity, and harvest is expected to begin in about 2 weeks.

Optimism is being expressed over the prospects of production in the United States reaching 16,000,000 bales this year. Dry weather in the Mississippi Valley and in the Carolinas is retarding development of the crop, but other areas report generally favorable growing conditions. Insects have not been a serious threat to date, although rather alarming numbers of pink bollworms have been found in preliminary inspections of Rio Grande Valley fields. World cotton production this year is now estimated at about 35,000,000 bales - the second largest on record.

G R A I N S

Grain prices on the Fort Worth Grain and Cotton Exchange are generally unchanged from a week ago. Top prices on Tuesday, June 5, and comparisons with a week ago: No. 1 hard wheat, \$2.59-1/4 per bushel - unchanged; No. 2 barley, \$1.62 - up 2 cents; No. 2 white oats, \$1.09-1/4 - off 3 cents; No. 2 yellow corn, \$2.02 - up 3 cents; No. 2 white corn, \$2.17-3/4 - up 2 cents; No. 2 yellow grain sorghums, \$2.59 per cwt. - off 2 cents.

Wheat prospects are generally improved throughout the major wheat-producing areas, with private estimates of the crop substantially above those of a month ago. Production in Texas is now privately predicted at around 15,000,000 bushels. The next United States Department of Agriculture report will be issued on June 11. Harvest is well under way in the Wichita Falls area, with some excellent yields reported.

Texas and Louisiana rice markets report little new business, although considerable quantities of milled rice continue to move from the mills on previous commitments. Prices are generally unchanged. The new crop is making favorable

progress, although rain is urgently needed in southwestern Louisiana and in parts of Arkansas. Good growth and favorable weather are reported in the Texas belt.

### L I V E S T O C K

Livestock prices on the Fort Worth market were generally lower than a week ago. In response to increased receipts of hogs at major markets, the tone of the market in the hog division weakened, although price changes were minor. Demand for stocker cattle remains strong, but increased receipts brought about some downward pressure on prices.

Top prices at Fort Worth on Tuesday of this week and comparisons with a week ago: Hogs, \$21.00 per cwt. - unchanged; Good steers, \$34.00 - down \$2.50; cows, \$27.50 - down \$1.00; Good and Choice slaughter calves, \$34.50 - down \$2.00; Good and Choice feeder and stocker steers, \$35.00 - down \$2.00; shorn feeder lambs, \$28.00 - unchanged; Good and Choice spring lambs, \$34.50 - up 50 cents.

Receipts of goats at the San Antonio market continue light, with Medium Spanish-type selling on Monday of this week at \$18.00 - up \$1.00. Kids maintain a firm trend at \$7.00 to \$8.00 per head.

### W O O L   A N D   M O H A I R

Wool prices have declined the daily limit of 10 cents per pound for several days, and on Tuesday of this week certificated spot wool on the New York market was quoted at \$2.40, with no sales. This compares with a price of \$2.65 a week ago. Most of the decline is attributed to reduction in consumption throughout the world and a reaction to the very high prices that have prevailed during the past year.

Despite the price declines, trading was virtually at a standstill. No sales or contracts of Texas wool or mohair were reported last week by the Production and Marketing Administration.

### P O U L T R Y   A N D   E G G S

Price trends in the Dallas wholesale market were generally unchanged to weaker, with hens off 2 cents and roosters, fryers, and turkeys unchanged. Eggs were off about 4 cents.

Tuesday's quotations: hens, 4 pounds and over - 24 cents per pound; hens, 3 to 4 pounds - 20 cents; fryers (Arkansas) - 28 cents, (local) - 27 cents; No. 1 baby beef turkey hens - 35 cents; eggs, current receipts - 33-1/3 cents per dozen; No. 1 infertile - 41 cents.

### A G R I C U L T U R A L   P R I C E S

Prices received by Texas farmers for all agricultural commodities declined from mid-April to mid-May for the first time since October 1950. The mid-May index was 393 percent of the 1910-14 average - down 6 points from the record high of 399 percent in mid-April.

Substantial declines in prices of all meat animals and smaller decreases for wheat, oats, cotton, cottonseed, potatoes, and hay more than offset slightly higher prices for corn, barley, grain sorghum, sweet potatoes, cowpeas, turkeys, and eggs.

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