

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices continue to hold generally steady at or near ceiling levels, although some weakness developed in the market Monday as a result of peace rumors. Most of these losses were regained Tuesday. The volume of trading for the week ended June 22 was greater than the previous week but only about one-third as large as in the corresponding week a year ago.

Prices for new-crop futures continue the downward trend evident for the past several weeks and on Tuesday, June 26, were from 8 to 78 points below a week earlier. Even the July contract shared in the decline this week, but the largest drop occurred in October 1951 futures. Major factors behind these declines are prospects for a large 1951 crop and in recent weeks a weakening of the cotton gray goods market, where trading has been dull and prices softening.

Daily mill consumption in May was 7 percent above the April rate. This contraseasonal increase apparently was the result of low consumption in April resulting from strikes. Consumption is expected to decline in June, but for the 1950-51 season (August-July), total mill consumption is now expected to be 10,750,000 bales, compared with 8,900,000 bales in the 1949-50 season.

Stocks of cotton in mills decreased during May but on June 2 were substantially higher than a year ago. Combined stocks held by mills and in public storage and compresses, however, at the end of May totaled about 3,700,000 bales, compared with more than 8,000,000 a year ago. About 4,000,000 bales of these stocks were held by the CCC.

Weather conditions over the Cotton Belt continue to favor growth and development of the crop, and hot, dry, open weather during the past week has permitted farmers to catch up with cultivation and insect control. Only the Corpus Christi area remains dry, although additional showers would be beneficial in most south Texas counties. Some cotton acreage in west Texas which was damaged by severe storms is being replanted to sorghums.

L I V E S T O C K

Receipts of cattle at major markets increased somewhat during the week ended June 22 but declined again on Monday and Tuesday of this week. Offerings continue to run well below the comparable period a year ago. The seasonal decline in receipts of hogs has begun. Prices of all classes remain generally steady to slightly weaker.

Top prices on the Fort Worth market on Tuesday, June 26: hogs, \$22.50 per cwt.; slaughter steers and heifers, \$35.00; cows, \$28.00; calves, \$36.00; feeder and stocker steers, \$36.00; spring lambs, \$33.50.

Marketings of goats at San Antonio during the week ended June 22 were 400 fewer than the previous week but about 300 more than the comparable period a year ago. Prices remain generally unchanged, with slaughter goats selling at \$16 to \$17 per cwt., with a top of \$18.25. Kids bulked at \$7.00 to \$8.50 per head, with a few at \$9.00 and above.

The 1951 spring pig crop totaled 63,818,000 head - an increase of 7 percent from a year ago, according to the BAE. The increase resulted from a 4-percent increase in the number of sows farrowing and a 2-percent increase in the number of pigs saved per litter. The estimate for the fall pig crop this year, based on breeding intentions, indicates an increase of 4 percent over 1950. This would produce a total 1951 pig crop of about 106,000,000 head - the second largest on record.

The BAE's report also indicates that this year's spring pig crop was farrowed earlier than last year's, which suggests that the fall movement of spring pigs to market may be earlier than usual.

GRAINS

Prices of all grains declined for the second consecutive week on the Fort Worth Grain and Cotton Exchange. The downward trend was accelerated on Monday of this week as a result of Russia's peace proposal. Prices on the Chicago market reached new lows for the year but recovered somewhat during the last half hour of trading. Tuesday's market was generally steady, although news that the wheat harvest had been resumed in Kansas and uncertainty over the cease-fire proposal continued to exert downward pressure on prices.

Top prices on Tuesday, June 26, at the Fort Worth Grain and Cotton Exchange and comparisons with a week earlier: No. 1 hard wheat, \$2.54 per bushel - off 2-1/2 cents; No. 2 barley, \$1.59 - off 1; No. 2 white oats, 99-1/2 cents - off 3; No. 2 yellow corn, \$1.94 - off 3/4; No. 2 white corn, \$2.17-1/4 - off 4-1/2; No. 2 yellow milo, \$2.52 per cwt. - off 8.

The Texas rice crop continues to make good-to-excellent progress, but recent showers in Louisiana have been insufficient to break the drought and relieve the threat of salt water damage in that area.

WOOL AND MOHAIR

Trading in the Boston wool market last week was virtually at a standstill. Some greasy domestic fleece wools moved at prices lower than a week ago, but sales were insufficient to test the market. Business in most western states continued dormant, with growers holding at prices well above what buyers were willing to pay. A few small lots of Texas 12-monthswool were purchased at a clean price estimated to cost from \$2.70 to \$2.75 delivered in Boston.

World wool production in 1951 is estimated at 4,100,000,000 pounds, grease basis - an increase of 120,000,000 pounds over 1950, according to a report of the USDA.

Small lots of adult mohair were purchased at \$1.35 and \$1.40 per pound, f.o.b. Texas.

POULTRY AND EGGS

Prices of poultry and eggs on the Dallas wholesale market were unchanged from a week earlier. Tuesday's quotations: hens, 4 pounds and over - 25 cents per pound; hens, 3 to 4 pounds - 20 cents; roosters - 12 cents; Arkansas fryers - 30 cents; local fryers - 27 cents; baby beef turkey hens - 35 cents; ungraded eggs - 33-1/3 cents per dozen; and No. 1 infertile eggs - 41 cents.

MISCELLANEOUS

The 1950-51 Yearbook of Agriculture, a 968-page volume entitled Crops in Peace and War, has been published by the USDA. Main distribution of the book is being made by members of the Senate and House of Representatives.

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