Federal Reserve Bank of Dallas

Farm Income

A BAE report issued last week shows cash receipts from farm marketings in Texas for the first four months of 1951 at $468 million, compared with $504 million received in the same months of 1950. Receipts of $325 million from sale of livestock and livestock products were up 31 per cent, while receipts of $142 million from sale of crops were down 44 per cent.

January-April cash receipts from farm marketings in other Southwestern states, and comparisons with corresponding months of last year: Louisiana $78 million, up $12 million; Oklahoma $136 million, down $12 million; New Mexico $146 million, up $7 million; and Arizona $96 million, up $24 million.

U.S. farmers' cash receipts from farm marketings in the first half of 1951 are estimated at $13.2 billion - 20% above receipts in the corresponding period of 1950. This gain, however, was partly offset by a 13% increase in average prices farmers paid for goods used in production.

Farm Prices - Parity Ratio

As of June 15, 1951 prices received by U.S. farmers averaged 301 per cent of their 1910-14 average, 4 points lower than a month ago, but 22% above June 1950, according to the USDA. This is the 4th consecutive month in which the U.S. index of farm prices has declined. The decline in the index during the month ended on the 15th resulted from lower prices for a majority of farm products which were only partially offset by modest increases in prices of hogs, veal calves, butterfat, apples, and turkeys.

The Parity Index (index of prices paid, interest, taxes, and wage rates) remained at the level of the May Index of 283 per cent of the 1910-14 base.

The developments of the month resulted in a Parity Ratio of 106 which means that the Index of Prices Received by Farmers was 6% above the Index of Prices Paid by Farmers.

U.S. average farm prices for individual commodities on June 15 showed wide variations with respect to parity levels. Farm prices as per cent of parity: wool 178, veal calves 150, beef cattle 118, lambs 115, cotton 121, rice and hogs 99, milk 98, eggs 94, corn 92, chickens 87, wheat 86, oranges 41, and grapefruit 26.

Cotton

Cotton markets, like most farm commodity markets, have shown considerable instability during recent days, influenced by crop reports, news from Korea, and other factors.

Spot cotton prices in the 10 leading markets averaged below 15 cents per pound early this week for the first time since the markets reopened in March. Tuesday's closing average for Middlings 15/16" cotton was 14.95 cents, compared with 45.32 a week ago. However, prices at ceiling levels prevailed in the Dallas market.

Cotton futures continue to drift downward. October 1951 futures on the New Orleans Exchange closed Tuesday at 36.21 cents, vs. 36.43 a week earlier and 37.54 a month ago.

Reports indicate that the cotton crop is making good progress in most sections of the Eleventh Federal Reserve District. Hot, open weather in central, northcentral, and East Texas has stimulated growth and permitted much needed culti-
vation, although some fields remain grassy. The crop in some southern counties of Texas is in serious need of rain.

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**GRAINS**

Grain prices on the Fort Worth Grain Exchange fluctuated considerably during the past week but made little noteworthy net change. However, all prices, with the exception of corn, are from 7 to 15 cents under a month ago.

Rice prices in Houston strengthened during the week ended June 25, due to the influence of increased export sales and government orders. Rexora and Blue Bonnet were quoted at $11.25-11.75, and Zenith at $10.50-10.75 per 100 pounds.

The USDA has announced an increase in the support level for wheat prices this year. The new national average is $2.18 per bushel, vs. $1.99 last year. However, the government will not pay storage charges on wheat this season, which has the effect of lowering the effective support price by some 9 to 13 cents per bushel. Even so, it is expected that considerable wheat from the 1951 crop will be placed under loan.

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**LIVESTOCK**

Livestock prices on the Fort Worth market made little change during the past week, except for a 50-cent decline for hogs and lambs, while feeder and stocker steers lost $1.00 per cwt. Steady prices prevailed in goat trade on the San Antonio market.

The 1951 Texas spring pig crop is estimated at 1,436,000 head, or 15 per cent above the number saved during the 1950 spring season. A slight increase is expected also for the fall pig crop.

The 1951 spring pig crop in Oklahoma totals an estimated 774,000, up 9 per cent from last year. The Louisiana crop of 532,000 is down 12 per cent.

Cattle slaughter in Texas in the first 5 months of 1951 was 5\% under a year earlier. Calf slaughter was off 25\%, and slaughter of sheep and lambs was down 50\%. Hog slaughter, on the other hand, was up 19\%.

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**POULTRY AND EGGS**

Poultry and egg prices in Dallas wholesale trade held steady during the past week. In fact there have been no significant price changes for the past month, except for an advance of 3 cents per pound for fryers.

Texas broiler prices averaged 30.9 cents per pound during the week ended June 23, according to the BAE.

Commercial broiler chick placements on Texas farms in the first half of 1951 totaled over 30 million chicks, compared with less than 19 million in the same period last year.

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