

Federal Reserve Bank of Dallas

C O T T O N

The PMA announced last week that the average loan rate for Middling 7/8-inch upland cotton, gross weight, produced in 1951 will be 30.46 cents per pound, which is 90 percent of the parity price of cotton as of August 1, 1951. (The August 1 parity price, which is 33.85 cents per pound, is computed on the basis of July 15 prices included in the parity index.) Last year the average loan rate for Middling 7/8-inch cotton, gross weight, was 27.90 cents per pound.

The average support price for Middling 15/16-inch cotton will be 125 points (1.25 cents per pound) above the average rate for Middling 7/8-inch cotton, or 31.71 cents per pound, gross weight.

Spot cotton prices have declined to the lowest levels in more than a year. On Tuesday, July 31, Middling 15/16-inch cotton averaged 36.21 cents per pound in the 10 designated spot markets, compared with 45.25 cents a month earlier and 38.64 cents a year ago. The continued decline in the past week is attributed to a host of factors, including the good weather over most of the Cotton Belt, unfavorable cotton goods reports, and the apparent slow progress being made toward an armistice in Korea.

New-crop cotton futures are holding relatively steady at levels considerably below current spot quotations. Tuesday's closing price for October futures on the New Orleans Exchange was 34.64 cents, vs. 34.79 cents a week earlier and 34.61 cents 2 weeks ago. Tuesday's closing cash price for Middling 15/16-inch cotton on the New Orleans market was 35.35 cents per pound.

The carry-over of cotton in the U. S. today, August 1, at the beginning of the new "cotton season" is close to 2 million bales, according to a PMA report. Stocks in mills are estimated at less than 1-1/4 million bales, and cotton in public storage and other locations is about 3/4 million bales. A year ago the mill carry-over totaled 1.3 million and stocks in public storage and "elsewhere" were over 5-1/2 million bales.

Extremely high temperatures and drought continue to lower cotton prospects in the southern two-thirds of Texas, according to the BAE. The crop, however, is blooming and fruiting rapidly across the northern part of the State and in the High Plains. Irrigated cotton in extreme west Texas is making satisfactory progress for the most part, but shortage of irrigation water is affecting some acreage. Losses from insects have been relatively light thus far this season.

G R A I N S

Price trends on the Fort Worth Grain and Cotton Exchange show wheat up 3 cents, oats off 3 cents, and white corn up 5 cents per bushel; and grain sorghums up 2 cents per cwt. Tuesday's top quotations: No. 1 hard wheat, \$2.56-1/4; No. 2 white oats, 99-1/4 cents; No. 2 yellow corn, \$2.02-1/2; and No. 2 white corn, \$2.33-1/4 per bushel; and No. 2 yellow milo, \$2.52 per cwt.

As compared with September futures quotations, cash wheat prices on the Chicago market last week were about 2 cents lower, cash oats were 3 to 4 cents higher, and cash corn was 3 to 6 cents higher.

Stocks of wheat in all off-farm positions in Texas on July 1 totaled 33.6 million bushels, vs. 40.7 million a year earlier, according to the BAE. Total stocks, including those on farms, were 34.2 million bushels, vs. 42.7 million on July 1, 1950.

Off-farm stocks of feed grains in Texas on July 1 included 954,000 bushel of corn, vs. 613,000 a year earlier; 410,000 bushels of old oats, vs. 779,000

bushels in 1950; and 41.7 million bushels of sorghum grain, vs. 46.9 million bushels a year ago.

A September program for commercial and Government exports of 1.7 million long tons (about 64.5 million bushels) of bulk wheat and coarse grains has been announced by the USDA. The Department also programmed a minimum of slightly over 1 million long tons (about 37.6 million bushels) of wheat for October.

Southern rice markets generally are inactive, with buyers awaiting new-crop offerings, according to the American Rice Growers Cooperative Association.

L I V E S T O C K

Livestock prices on the Fort Worth market made few noteworthy changes during the past week, except for a decline of about \$1.00 for calves and lambs. Top quotations on Tuesday of this week: hogs \$23.00, slaughter steers \$36.00, slaughter cows \$28.00, slaughter calves \$34.00, feeder and stocker steers \$35.00, feeder and stocker steer calves \$38.00, and spring lambs \$30.00 per cwt.

Goat prices on the San Antonio market last week were strong to 50 cents higher. Medium and Good shorn Angoras brought \$15.00; kids moved at \$6.50 to \$7.50, with a few at \$8.00 each.

Marketings of cattle, calves, and sheep on the Fort Worth market during the past 2 weeks have been heavier than in most other recent weeks and larger than in comparable weeks a year ago. Lack of sufficient grazing in some of the drier areas of the Southwest is credited with the increased marketings. In the Nation's leading 12 markets, receipts of calves and hogs last week were above a year ago; receipts of cattle and sheep were lower.

P O U L T R Y A N D E G G S

Prices on the Dallas wholesale poultry markets have held steady for the past week, except for a decline of 2 cents per pound for medium weight hens. Tuesday's quotations: hens weighing 4 pounds or over, 22 cents; 3- to 4-pound hens, 16 cents; Arkansas fryers on farms, 30 cents; local fryers, 27 cents; and baby beef turkey hens, 35 cents per pound. No. 1 infertile eggs are quoted at 45 cents per dozen.

Broiler chick placements on Texas farms totaled slightly over 1 million during the week ended July 21, according to data assembled by the BAE. This was 7 percent below the previous week and the smallest number placed in any week since February 3. However, placements for the year to date totaled 34.5 million, vs. 21 million for the same period last year.

Broiler prices in Texas averaged 30.4 cents per pound during the week ended July 21, compared with 30.2 cents the previous week and 32.0 cents a year ago.

F A R M (BAE) P R I C E I N D E X E S

Prices received by U. S. farmers in mid-July averaged lower for the fifth consecutive month and, at an index of 294, were 2.3 percent below the June 15 level but still 11.8 percent above a year ago.

Downturns in farm wage rates (after seasonal adjustment) and in prices paid by farmers for commodities used in production were not of sufficient importance to lower the July Parity Index below the revised June index of 282, which is 10 percent higher than a year ago.

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