

Federal Reserve Bank of Dallas

C O T T O N

The USDA announced today its estimate of the cotton crop as of August 1, placing the figure at 17,266,000 bales, compared with 10,012,000 bales harvested in 1950 and 16,128,000 bales produced in 1949. The official estimate of the cotton crop is in line with most private estimates made during recent weeks.

The Texas cotton crop is estimated at 5,000,000 bales, compared with 2,946,000 bales harvested in 1950 and the record crop of 6,040,000 bales produced in 1949. The cotton crop in other District states: Arizona, 820,000 bales, up 73 percent; Louisiana, 875,000 bales, up 105 percent; New Mexico, 300,000 bales, up 60 percent; and Oklahoma, 680,000 bales, up 181 percent.

Spot cotton prices fell this week to a new low for the year. On Tuesday, August 7, Middling 15/16-inch cotton in the 10 designated markets averaged 35.08 cents per pound, vs. 36.21 cents a week earlier and 44.37 cents a month ago.

The world cotton crop for 1951-52 is estimated by the International Cotton Advisory Committee at 35 million bales, or 7.5 million bales more than in the previous year and probably 2 million bales more than will be consumed during the 1951-52 cotton year.

The high temperatures and lack of rainfall in the District during the past week have been unfavorable for cotton. Virtually all areas in the District, except the irrigated sections, are in need of rain, although the early crops in the southern part of Texas are too far advanced to be benefited by rain.

G R A I N S

The USDA announced last week the price support rate for 1951-crop rice at a national average of \$5.00 per hundredweight, compared with \$4.56 per hundredweight for 1950-crop rice. Prices will be supported through loans to producers and by purchase agreements, available from time of harvest through January 31, 1952.

Cash grain prices on the Fort Worth Grain and Cotton Exchange made only minor changes during the past week. Tuesday's top quotations: No. 1 hard wheat, \$2.59; No. 2 white oats, \$1.01-3/4; No. 2 Texas yellow corn, \$2.00; No. 2 Texas white corn, \$2.20 per bushel; and No. 2 yellow milo, \$2.53 per cwt.

U. S. farmers placed 54 million bushels of 1950-crop corn under price support through June 30, 1951, compared with 385 million bushels from the 1949 crop. Iowa, Nebraska, and Illinois farmers accounted for 42 million of the 54 million bushels placed under support.

Southern rice markets continued seasonally quiet during the last week in July according to the American Rice Growers Cooperative Association. Most Texas and Louisiana mills have completed their 1950-crop operations and have closed for repairs. At Houston, Rexoro and Blue Bonnet continued to be quoted at about \$11.25 to \$11.50 and Zenith at \$10.25 to \$10.50 per 100 pounds.

Wheat supplies in prospect for 1951-52 are sufficient to meet anticipated domestic and export requirements without significantly reducing the size of the carry-over, says the USDA. The total supply, estimated at 1,505 million bushels, has been exceeded in only three previous years.

As wheat prices have been fluctuating at about the support level, and often below support, during the past several months, it is expected that considerable wheat from the 1951 crop will go under the government loan program.

L I V E S T O C K

The 1951 U. S. lamb crop totals 18,761,000 head, or about 1 percent more than in 1950, according to BAE estimates. This is the first time since 1941 that the lamb crop has shown an increase over the previous year. However, considerable importance is being attached to the fact that in the 13 western states (11 Western States, South Dakota, and Texas) the lamb crop is down slightly, while in the Native States it is up 5 percent. Texas, the leading sheep state, has a 16 percent smaller lamb crop than last year. Dry weather conditions adversely affected the lamb crop in Texas, and the lamb crop percentage (number of lambs saved per 100 ewes one year old or over on January 1) fell to 64, compared with 89.1 for the U. S.

The Texas lamb crop is estimated at 2,885,000 head, compared with 3,425,000 last year. New Mexico reports 741,000 head, off 4,000; Arizona has 233,000 lambs, down 18,000.

Livestock prices on the Fort Worth market have made few changes in recent days. However, hogs are quoted at a top price of \$23.50 - 50 cents over a week ago and the highest level reported since February. Spring lambs are selling generally at a top price of \$30.00 per cwt., although occasional lots reach \$31.00.

Commercial slaughter of cattle in Texas during the first half of the year totaled 338 million pounds, live weight, vs. 371 million pounds in the same period in 1950. Slaughter of calves totaled 110 million pounds, vs. 149 million pounds last year. Hog slaughter reached 226 million pounds, vs. 189 million in the like period in 1950, while slaughter of sheep and lambs fell to less than 18 million pounds, vs. 30 million a year ago.

W O O L

The PMA reports that there was a slightly better tone in the Boston Wool Market last week than has been noted in several previous weeks, although prices were somewhat lower than recent nominal quotations.

Dealers estimated the price of good 12-months Texas wool from \$2.30 to \$2.40 per pound, clean basis, delivered to Boston, while average 12-months wool was estimated to cost from \$2.20 to \$2.30 per pound. However, trading in Texas wools remains dormant.

Average weekly consumption of apparel wools, shorn and pulled on a scoured basis, for April 1951, the latest month for which data are available, was 8,557,000 pounds, vs. a weekly average of 6,486,000 pounds in March and 8,346,000 pounds in April 1950.

D A I R Y P R O D U C T S

Consumption of dairy products per capita, milk equivalent basis, will be a little less this year than in 1950, according to BAE forecasts. Butter is accounting for most of the decline and may fall below 10 pounds per person for the first time on record. Consumption of margarine, on the other hand, is running above last year.

Consumption of fluid milk and cream apparently is running slightly higher than a year ago, reports the BAE. This is indicated both by the reports from major fluid milk markets and by the quantities of milk available in excess of quantities used to produce major manufactured dairy products. Consumption of slightly more milk than a year ago, even with 15 percent higher retail prices, indicates a substantial increase in consumer demand for these products.

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