

Federal Reserve Bank of Dallas

C O T T O N

The spot cotton market this week reached a new low for the year, after having remained almost steady last week. The market apparently had fully discounted the Government's cotton production estimate before it was announced, as little noticeable reaction was evident. However, reports this week that growing conditions have improved over most of the Cotton Belt, except in much of Texas, sent spot cotton to a lower level. Tuesday's 10-market average for Middling 15/16-inch cotton was 34.81 cents per pound, compared with 35.08 a week ago.

The Secretary of Agriculture has announced the establishment of an open-end export quota for all types of cotton. Under the open-end quota, there will be no restriction on quantities of cotton that can be shipped under export licenses.

Last week's cotton report for Texas, by districts, shows the largest percentage increases in production over 1950 in the North High Plains (+ 265%), north-central Texas (+ 306%), east Texas (+ 86%), the upper coastal areas (+ 74%), and the Lower Valley (+ 104%). However, only the North High Plains, northcentral Texas, the Trans-Pecos area, and the Lower Valley show increases over 1949.

Cotton ginned in Texas prior to August 1 averaged lower in grade and slightly shorter in staple length than last season, according to the USDA's first quality report for the 1950-51 season. Ginnings of Upland cotton in the State prior to August 1 totaled 223,881 bales, vs. 283,243 to the same date last year.

G R A I N S

Grain prices on the Fort Worth Grain and Cotton Exchange made few net changes during the past week. Top prices on Tuesday, August 14, and changes from a week earlier: No. 1 hard wheat, \$2.59 per bushel, up 1/2 cent; No. 2 white oats, \$1.03-1/4 per bushel, up 1-1/2 cents; No. 2 Texas yellow corn, \$2.00 per bushel, unchanged; No. 2 Texas white corn, \$2.15 per bushel, down 5 cents; and No. 2 yellow milo, \$2.53 per cwt., unchanged.

The weekly rice market report of the American Rice Growers Cooperative Association issued last week stated that quotations on new-crop rice were not yet well established; however, at the Houston market, new Zenith rice was offered at around \$9.00 per 100 pounds. New Century Patna rice was priced around \$10.75 per 100 pounds. Old-crop, long grain rice was generally available at \$11.00 to \$11.25 per 100 pounds.

P E A N U T S

The Secretary of Agriculture announced an average support price of \$230.56 per ton for 1951-crop farmers stock peanuts of all types. This average support level reflects 88 percent of parity as of the beginning of the marketing season on August 1. This year's average support price represents an increase of \$14.56 per ton over the average support price for 1950-crop peanuts.

L I V E S T O C K

Prices on the Fort Worth livestock market made few noteworthy changes during the past week, except for a decline of 50 cents for hogs, or to a top price of \$23.00 per cwt., which offsets the advance by the same amount reported last week.

Generally good pastures and ranges and the big supply of feed grains in prospect promise continued expansion in livestock production, says a BAE report.

Hog producers are likely to carry out their plans for a somewhat larger pig crop this fall than last, and the cattle population will probably be increased by about 5-1/2 to 6 million head by the end of the year.

With a seasonal increase in cattle slaughter expected this fall, cattle prices may show less strength than recently, according to the report. Prices of some grades may at times drop below ceilings. However, because of the supporting effect of defense programs on the demand for meat, no material weakness in cattle prices is expected.

Prices of hogs (barrows and gilts) rose in June but were nearly steady in July, chiefly because price ceilings on pork tended to prevent a further rise. Ceilings as now established will probably hold barrow and gilt prices comparatively stable for some time and will probably thus delay the beginning of a seasonal decline until about October.

W O O L

The small flurry of activity of 2 weeks ago failed to follow through last week in the Boston wool market and trading remained relatively quiet, according to the PMA. Attention of wool dealers was directed toward reopening of sales in New Zealand this week.

The quantity of wool shorn and to be shorn in the U. S. this year is estimated by the BAE at 229,111,000 pounds, which is 9 million pounds, or 4 percent, more than was shorn last year. However, production is down 27 percent from the 1940-49 average.

The increased wool production this year resulted from a larger number of sheep shorn and a record heavy weight per fleece. The high fleece weight of 8.23 pounds compares with 8.11 pounds last year and the 10-year average of 8.00 pounds.

Wool production in Texas this year is estimated at 51,943,000 pounds, or 1 percent below the 1950 clip. The number of sheep shorn is placed at 7,053,000 head - up 2 percent; however, lighter fleece weights more than offset this increase. For the spring clip, 12-month fleeces averaged 7.6 pounds, the lightest in 20 years of record.

Wool production estimates for other Eleventh Federal Reserve District states and changes from 1950: Arizona, 2,402,000 pounds, down 250,000; New Mexico, 10,531,000 pounds, down 100,000; Oklahoma, 972,000 pounds, up 45,000; and Louisiana, 403,000 pounds, down 2,000.

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

Poultry prices on the Dallas wholesale market are holding steady; however, egg prices advanced seasonally last week. Current quotations show candled mixed eggs at 47 cents per dozen, up 6 cents, and No. 1 infertile eggs at 50 cents per dozen, up 5 cents.

Broiler prices in Texas averaged 32 cents per pound during the week ended August 4, according to the BAE. This is the first week they have averaged this high since March and were as low as 26.9 cents in May.

Placement of broiler chicks on Texas farms during the first 7 months of 1951 totaled 36,600,000, up 63 percent over a year earlier.

Egg production in Texas in the first 7 months of 1951 totaled 1,912 million eggs, or 5 percent less than in the same months of 1950.

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