

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices declined this week to a new low for the year. On Tuesday, August 28, Middling 15/16-inch cotton in the 10 designated markets averaged 34.57 cents per pound, compared with 34.92 cents a week earlier and 37.82 cents a month ago.

Numerous proposals are being made to strengthen cotton prices. One proposal that has gained considerable attention is that the Government stockpile cotton, which, it is said, would be a valuable asset in case of a major war and which would cause domestic cotton prices to rise to higher levels. However, the Secretary of Agriculture stated this week that he disapproves cotton stockpiling as a means of increasing prices. Mr. Brannan told the Senate armed services cotton stockpiling subcommittee he hoped the loan program will accomplish the goal of higher prices for the staple. The Secretary said the Department of Agriculture wants to be sure before starting to stockpile cotton that it will not be detrimental to the farmers. The Department, he said, is seeking other devices for boosting sagging prices. Mr. Brannan pointed out that the farmer retains his interest in the cotton if he places it in the loan program. By using the loan program he can control the price; with stockpiled cotton, the farmer has no chance to benefit from an increase in price, he said.

Figures just released by the Bureau of the Census show that domestic mill consumption of cotton during the 1950-51 season (August 1 through July 31) totaled 10.5 million bales, the largest since the 1942-43 season and the third largest on record. This compares with 8.9 million bales consumed in the 1949-50 season and 7.8 million bales 2 years ago.

Cotton prospects over much of the northern third of Texas were revived last week as rains fell over most of the High Plains, Low Rolling Plains, Cross Timbers, and northern Blacklands. This moisture, together with somewhat lower temperatures, checked deterioration and much of the cotton in these areas showed improvement. Crop conditions generally were favorable in other cotton-growing sections of the Nation, prompting some private forecasters to see a possible increase in the next official cotton production estimate.

G R A I N S

Grain prices on the Fort Worth Grain and Cotton Exchange this week are holding near last week's levels. Tuesday's top prices: No. 1 hard wheat, \$2.58-1/4; No. 2 white oats, \$1.02-1/4; No. 2 Texas yellow corn, \$2.00; and No. 2 Texas white corn, \$2.15 per bushel. No. 2 yellow milo is quoted at \$2.55 per cwt.

The Bureau of the Census reports that exports of rice from the United States in the August-June 1950-51 period totaled 7.8 million bags, compared with 9.2 million in the same period a year earlier. Shipments to all countries were lower, except Greece, Cuba, and Venezuela.

The sorghum crop in the High Plains and late plantings in the Low Rolling Plains were greatly benefited by improved moisture conditions last week. Harvest of early sorghums is under way in the Low Rolling Plains, with light to fair yields reported.

F L A X S E E D

The Secretary of Agriculture has announced acreage goals for the 1952 flaxseed crop in the three winter-growing states: Arizona, 10,000 acres;

California, 75,000 acres; and Texas, 150,000 acres. This suggested three-state goal of 235,000 acres is about two-thirds of their average seedings during the past 5 years.

The 1952 production goals, with average conditions, should provide 2,715,000 bushels, distributed as follows: Arizona, 215,000 bushels; California, 1,600,000 bushels; and Texas, 900,000 bushels.

The production goals for Arizona and Texas represent substantial increases over 1951. The crops in these states were cut sharply this year. Acreage was reduced in Arizona, and cold weather killed out much of the crop in Texas. The figures above compare with 108,000 bushels in Arizona and 64,000 bushels in Texas produced this year.

L I V E S T O C K

Livestock prices on the Fort Worth market have made virtually no important changes for the past week. Top prices for a few classes of livestock are lower, due to the scarcity of better grades of animals.

Goat trade in San Antonio continues rather slow; prices for slaughter animals this week are 25 cents or more below a week ago.

The outbreak of foot-and-mouth disease in Mexico, announced August 15 by the USDA, has been brought under control. The Joint Mexican-United States Commission says all infected animals have been eradicated and the disinfection of premises throughout the infected zone is well under way.

Diminishing feed supplies in the Southwest continue to force heavy marketings of livestock. During the first 3 days of last week, the Fort Worth market received 13,700 head of cattle, compared with 8,300 in the same days of 1950. Receipts of calves totaled 8,000, vs. 4,700 last year; marketings of sheep and lambs were up to 9,500, vs. 5,900 a year earlier.

W O O L . A N D M O H A I R

Fall shearing of wool has begun in Texas, but as yet there have been no sales reported which might serve to establish a price. The PMA estimates that 4 to 5 million pounds of 12-months wool remain unsold in the State. Growers and warehouses are said to be ready to sell when an active market is established.

Feelers have been put out in Texas to buy mohair at 75 cents to \$1.00 per pound, without creating any excitement, according to the PMA. It is predicted that the market may open at \$1.00 to the grower. However, shearing is just beginning, and it is too early to foresee price trends.

In describing the Boston wool market last week, the PMA said, "The market is dead." No sales were made due to lack of demand.

T U R K E Y S

Texas turkey growers are raising 5,150,000 birds this year, according to BAE estimates. This is 15 percent more than in 1950 and exceeds the previous record crop of 1932 by about 7 percent.

The 1951 turkey crop in other southwestern states, with percentage changes from last year: Louisiana 80,000, up 25 percent; Oklahoma 638,000, up 17 percent; New Mexico 119,000, up 10 percent; and Arizona 57,000, unchanged.

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