Federal Reserve Bank of Dallas

COTTON

The USDA this week revised upward its estimate of the cotton crop, placing the figure at 17,291,000 bales, or 25,000 bales above a month ago. Improved prospects for production in other areas more than offset the declines in Texas, Oklahoma, and Louisiana.

The estimate of the Texas cotton crop, placed at 4,800,000 bales, compares with a forecast of 5,000,000 bales made last month. Hot, dry weather over most of the State during August accounted for the loss. Abandonment this year is estimated at 525,000 acres, or 4 percent of the acreage in cultivation on July 1.

The Oklahoma crop is estimated at 625,000 bales, off 55,000 bales from a month ago. The Louisiana crop, forecast at 850,000 bales, is down 25,000 bales from last month. Estimates of 300,000 bales and 820,000 bales for New Mexico and Arizona, respectively, were unchanged.

The cotton market showed relatively little reaction to this week's cotton production report, as prices generally held within comparatively narrow limits. Prices on Tuesday, September 11, were up several points from a week earlier, although slightly below last Friday's peak. Tuesday's average for Middling 15/16-inch cotton in the 10 designated spot markets was 34.28 cents per pound, vs. 34.13 cents a week earlier.

Cotton futures, after having led the decline in cotton prices during the past 2 months, have now turned up again. October 1951 futures on the New Orleans Exchange closed Tuesday, September 11, at 34.40 cents, compared with 34.19 cents a week earlier. Tuesday's spot price on the same market was 34.10 cents.

Cotton ginned in Texas prior to September 1 totaled 1,157,000 bales, compared with 611,000 bales to the same date last year, according to the Bureau of the Census. Cotton ginned in the State to this date this year averaged lower than Middling and slightly shorter than 1 inch, according to the USDA. The grade index was 98.6, vs. 100.6 last season.

Through August 31, the CCC reported loans on about 8,100 bales of 1951-crop cotton; however, there is a considerable lag between loans reported by the CCC and cotton entering the loan in local lending agencies.

GRAINS

Wheat prices on the Fort Worth Grain Exchange, as on other central markets, strengthened last week, reaching the highest levels in several months. No. 1 hard wheat closed in Fort Worth Saturday, September 8, at a top price of $2.63-1/4 per bushel, compared with a top of $2.58-3/4 in the previous week. The top price on Tuesday, September 11, was $2.62 per bushel.

Oat prices also rose during the past week, reaching $1.07 per bushel on Tuesday of this week, compared with $1.02-3/4 a week ago.

Prices of other grains on the Fort Worth Market made only minor changes last week - white corn gained 2 cents per bushel and sorghum grain rose 2 cents per cwt.

The August heat and drought lowered the BAE corn production estimate for Texas. The crop is now estimated at 42 million bushels, down more than 2 million from a month ago.

Sorghum grain production prospects in Texas improved last month, and the crop is now at almost 90 million bushels, up 5 million since August 1.
Rice production in Texas in 1951 is expected to total 12,128,000 bags of 100 pounds each, reflecting an improvement in prospective production since a month ago. An average per acre yield of 2,250 pounds compares with 2,400 pounds per acre harvested in the State last year.

LIVESTOCK

Cattle prices generally have tended to strengthen during recent marketing days, despite heavy receipts. Prices of several classes are higher than 2 or 3 weeks ago. Choice slaughter steers and heifers are selling as high as $36.00 per cwt., and Choice slaughter calves are bringing up to $35.00 per cwt. Prime steers sold in Chicago this week for $39.60, vs. $39.00 two weeks ago.

Hog prices in Fort Worth made few noteworthy changes last week. Prices are $2.00 per cwt. below the August peaks, and further seasonal declines may develop.

Prices on the San Antonio goat market reacted strong to 50 cents higher last week.

Commercial meat production in Texas during the month of July totaled over 70 million pounds, according to figures released this week by the BAE. This was 6 percent higher than in July 1950. Total meat production in the State in the first 7 months of 1951 was 434 million pounds - 4 percent less than in the corresponding period last year.

MISCELLANEOUS

The market for principal feedstuffs was unsettled last week, according to the PMA. Price changes were relatively small, however, except for animal protein feeds, which advanced $2.50 to $3.00 per ton in centralwestern markets. The index of wholesale feedstuff prices advanced to 241, vs. 216 a year ago. The feed grain price index held at 241, vs. 213 in the same week last year.

The farmer's share of the dollar that consumers spent for farm foods averaged about 49 cents in June and July, the lowest figure recorded for any month this year, according to the USDA. Total charges for marketing the farm foods in the "market basket" reached a new high in June, with a further increase estimated for July. The farmer's share of the consumer dollar spent for farm foods ranged between 46 cents and 49 cents during 1950 but averaged between 51 cents and 54 cents from 1943 through 1948.

Prices growers will receive for apples and grapes during late summer and fall will decline about seasonally and probably will average lower than in the same period of 1950, says the USDA; however, prices of peaches and pears probably will average at least as high as a year ago.

The mid-August index of farm prices in Texas was 343, vs. 351 a month earlier, and 399 in April.

Business remained practically at a standstill on the Boston Wool Market last week. There were no sales of wool or mohair reported in Texas.

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