

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices have made considerable recovery from the low level reached about the first of September. On Tuesday, September 25, Middling 15/16-inch cotton in the 10 designated spot markets averaged 36.19 cents per pound, compared with 34.79 cents a week earlier and 34.10 cents 3 weeks ago. Farmers are reported withholding a large portion of their cotton from the market in the expectation that this action will cause a rise in cotton prices.

Cotton exports under the export allocation system for the 1950-51 season (August - July) was 4.1 million bales, or 29 percent less than in the previous season. Cotton exported to Japan accounted for 21 percent of the total, followed by Italy with 13 percent, France and Germany each received about 11 percent, and Canada, 10 percent.

Weather conditions over the Eleventh Federal Reserve District for the past week generally have been favorable for the harvesting of cotton. The crop in central and southcentral Texas is from 70 to 80 percent harvested while harvest in north and east Texas is well past the 50 percent mark in most places.

Texas cotton ginned through September 15 averaged lower in grade and over a thirty-second shorter in staple length than that ginned for the same period last year, according to the PMA. The grade index through September 15 this year was 98.2 (Middling White = 100) compared to 100.0 last year.

Ginnings in Texas through September 15 totaled 1,458,000 bales, compared with 790,000 bales last year, according to the Bureau of the Census.

C O T T O N S E E D

Wagon lot prices received by Texas farmers for cottonseed during the week ended September 19 averaged \$66.70 per ton, compared to \$66.50 the previous week and \$82.50 for the same period last year.

The output of cottonseed this year, based on the expected production of cotton lint, is estimated by the BAE at about 7,000,000 tons compared with 4.1 million tons in 1950.

Domestic disappearance of margarine in 1950 is likely to reach or exceed 1,000,000,000 pounds for the first time. Consumption of margarine per person may be over 6.5 pounds, compared with 6.1 pounds in 1950 and 2.7 pounds in 1937-41. Butter consumption in 1951, on the other hand, may drop below the previous record low of 10.0 pounds in 1948.

G R A I N S

Prices of most grains on the Fort Worth grain market strengthened last week amidst reports that 1951 production of wheat and corn may fall below earlier forecasts. On Tuesday, September 25, No. 1 hard wheat sold for a top price of \$2.62 per bushel, or 2-1/2 cents above a week earlier. No. 2 white oats reached \$1.09 per bushel this week for a net gain of 4 cents as compared with a week earlier.

No. 2 yellow corn at \$2.02-1/2 per bushel was up about 3 cents, while No. 2 white corn at \$2.26-3/4 per bushel was up 4-1/2 cents.

Sorghum grain brought \$2.61 per cwt. for a gain of 1 cent.

The American Rice Growers Cooperative Association reports that there are signs beginning to show up at different places which indicate that the sharp decline in rice prices may be reaching bottom and that a more stable market may be expected. This is particularly true of the medium grain varieties which have shown some

slight price advances. One strengthening factor in the rice picture is the reported intention of the CCC to purchase 200,000 bags of rice for ECA and to make additional purchases in each month through December.

Rice growers are not selling much rice, particularly while prices are materially below loan values. The Secretary of Agriculture has urged them to make maximum use of the price support program so as to help stabilize the market for this commodity.

Around Houston this week, No. 2 Blue Bonnet of good milling quality brought \$4.10 to \$4.40 per 100 pounds. The same quality and grade of Texas Patna went at \$4.58 to \$4.73.

Price support for 1951-crop rice has been broadened by the USDA so that rice showing a head yield of less than 25 pounds per 100 pounds of rough rice will be eligible for support at the rate for broken rice. This action has been taken because an unusually large proportion of the 1951 rice crop will not meet the normal eligibility requirements.

P E A N U T S

Harvesting of peanuts in Texas made little progress last week as growers were waiting to see if the rains that fell the previous week would benefit their crops by increasing the yields. The average yield per acre is very low, amounting to only 400 pounds compared with 660 pounds in 1950.

The movement of peanuts to market in Texas and Oklahoma thus far this season has been relatively light. Demand for the small supplies is good. Old crop Spanish No. 1 sold last week at 18 cents to 18-1/4 cents (shelled, f.o.b. shipping point, per pound) compared with 18-3/4 cents to 19-1/4 cents for new crop offerings.

The Texas peanut crop is estimated at 186,000,000 pounds vs. 323,000,000 pounds a year ago. The Oklahoma crop estimate is placed at 126,000,000 pounds, or about the same as the 1950 crop.

L I V E S T O C K

Prices of some classes of livestock have strengthened during the past week, as the demand for slaughter and stocker animals continued strong, according to PMA reports.

On Tuesday, September 25, Good & Choice fed steers and yearlings and heifers sold in Fort Worth for \$32.00-36.00, while beef cows cashed at \$22.00-28.00, and Medium & Good stocker & feeder steers and yearlings sold for \$28.00-34.00. Good & Choice slaughter calves cleared at \$30.00-34.50, while Good & Choice stocker calves cashed at \$33.00-39.00.

Hogs held steady on the Fort Worth market, with Choice 180-280 pound weights bringing \$21.00 and \$21.25.

Prices of available lambs were steady. Good & Choice wooled slaughter spring lambs brought \$31.50. Spring feeder lambs moved out at from \$28.00-30.00.

Goat prices on the San Antonio market showed considerable fluctuation the past week but made a net advance of 25 to 50 cents.

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