

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices advanced rapidly last week but weakened slightly again this week. Middling 15/15-inch cotton in the 10 designated spot markets averaged above 37 cents per pound on Wednesday and Thursday of last week but was down to 36.73 on Tuesday, October 2. The high prices for cotton appear to be the result of farmers holding their cotton or placing it in government loan, rather than to any appreciable improvement in demand for cotton.

Cotton ginned in the United States through September 15 totaled 3,661,000 bales, or 32 percent of the indicated crop, as compared with 17 percent of the crop ginned during this period a year ago.

Weather conditions over the District last week favored harvesting of cotton although labor was very scarce, especially in those sections where most of the crop has been harvested or crop conditions are not too good.

Wagon lot prices paid farmers for cottonseed in Texas during the week ended September 27 averaged \$68.20 per ton at the gin, which was an increase over the previous week's average price of \$66.70 per ton. A year ago the average price in Texas was \$90.10 per ton.

G R A I N S

Cash grain prices advanced substantially during the first part of last week but then lost most of the gains. The price changes seem to have resulted from the accumulative effects of several market factors rather than to any one particular condition. Worth noting, however, were reports of sales of grain to European countries, expectations of frost damage in the corn belt, and rain and snow in the spring wheat belt.

No. 1 hard wheat on the Fort Worth grain exchange brought \$2.63-1/2 per bushel, top price, on Tuesday, October 2, or 1-1/2 cents above a week earlier, but fractionally under last week's high.

Corn prices on the Fort Worth market on Tuesday of this week were practically the same as a week earlier, although as much as 5-1/2 cents per bushel under last week's high. Tuesday's quotations show No. 2 yellow corn at \$2.01-3/4 and No. 2 white corn at \$2.27 per bushel.

Sorghum grain prices on the Fort Worth market have followed a slightly upward trend since July, making a net gain of 12 cents per cwt. Tuesday's top price was \$2.64.

Southern rice markets strengthened this week as demand for both rough and milled rice improved, according to the PMA. In Texas, good milling quality No. 2 Patna brought \$4.80 to \$5.01 per 100 pounds, and No. 2 Bluebonnet went at \$4.54 to \$4.70. Improved domestic demand, moderate export inquiry and fairly large sales to the CCC are credited with the price advance.

United States exports of grain and grain products during July and August 1951 are estimated at 2.7 million long tons, compared with 1.7 million last year.

The USDA announced last week that through August 1951 farmers put about 75 million bushels of 1951-crop wheat, barley, oats, rye, grain sorghum, and flaxseed under CCC price support. Wheat accounted for 68 million bushels, barley 3.6 million, oats 1.4 million, and grain sorghums 1.2 million bushels.

P E A N U T S

Scattered rains through central and south Texas during the week ended September 25 stopped all digging of peanuts. Most growers in these areas were

giving the crops time to mature more; however, west Texas areas continued to need moisture and the few peanuts dug in those sections were mostly baled for hay.

Shellers are paying growers support prices in all areas for quota peanuts. The crop in southeastern Oklahoma is averaging around 69 percent sound mature kernels, which, with no deductions or additions in price for other factors, would return growers around \$221.80 per ton for quota peanuts.

Shelled, Spanish No. 1 new-crop peanuts for prompt shipment brought 19 cents per pound, with a few sales up to 19-1/2 cents, according to PMA.

L I V E S T O C K

Cattle prices on the Fort Worth market generally are holding steady at prices that have prevailed for the past month. On Tuesday, October 2, Good & Choice beef steers and heifers drew \$32.00-35.00, Utility & Commercial ranged from \$23.00-31.00, according to the PMA. Most of the supply comprised Commercial beeves selling from \$28.00-31.00. Medium & Good stockers & feeders turn from \$27.00-33.00, a few thin, lightweight; Choice yearlings to \$36.00, Common stockers around \$24.00-26.00. Good & Choice slaughter calves cleared from \$30.00-34.00, Common heavies on the yearling order to \$35.00.

Hog prices are showing slight advances rather than declining seasonally as was expected. Choice 180-280 pound weights brought \$21.50-21.75, Choice 145-175 pounds cleared from \$20.00-21.25.

The sheep and lamb trade has been slowing down; some classes are 25 to 50 cents under a week ago. Good & Choice wool slaughter lambs brought \$31.50 on Tuesday of this week. A few lots of feeder lambs moved out from \$25.00-28.00.

Commercial slaughter of cattle in Texas during the first 8 months of 1951 totaled 624,000 head vs. 634,000 in the same period of 1950. Calf slaughter totaled 422,000 vs. 499,000 a year ago. Sheep and lamb slaughter in commercial plants numbered 334,000 vs. 447,000 in the first 8 months of 1950. On the other hand, hog slaughter reached a total of 1,207,000 vs. 1,006,000 last year. Commercial meat production in the United States during the first 8 months of this year was practically equal to that during the same period of 1950, while beef was down 7 percent, veal down 17 percent, and mutton and lamb lower by 16 percent.

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

Wool prices jumped 20 percent in Australia this week with prices of some lots up as much as 40 percent. The over-all price rise was described by wool men as the sharpest in memory; however, reports failed to mention any specific reasons for the sudden advance. American stockpiling of wool is considered a possible factor.

There was some pickup in business activity in the Boston wool market last week as odd sales of greasy worsted wools were made for civilian consumption. However, sellers were unwilling in many instances to discuss prices obtained in the local market.

Some mohair was sold in Texas last week in a range from 80-85 cents for adult and \$1.05-1.10 for kid mohair, according to the PMA.

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