

Federal Reserve Bank of Dallas

C O T T O N

Cotton prices declined slightly during the past week and on Tuesday, October 23, the 10-market average price for Middling 15/16-inch cotton was 35.07 cents compared with 35.21 a week ago. This was in contrast to a generally upward trend evident during the first 2 weeks of October. Farmers are reported to be selling more freely at the higher level of prices and spot sales of lint increased to 412,700 bales during the week ended October 19. This was 53,000 bales more than during the previous week and nearly 100,000 more than during the corresponding week a year ago. Mill demand increased somewhat but most buying was for prompt shipment as mills continued to buy virtually on a "hand-to-mouth" basis. Inquiries for export in the southwestern and western areas increased but prices offered were generally unattractive.

Domestic mill consumption of cotton during the first 2 months of the current season (August-September) was 6 percent less than for the same period last year. Mill consumption per working day during September was about 2 percent smaller than in August of this year. Domestic mill consumption for the first 2 months of the season totaled 1,476,000 bales. Excessive inventories and slow sales of textiles have been factors in the reduced consumption thus far this season.

The Secretary of Agriculture has announced that there will be NO marketing quotas or acreage allotments on upland or extra long staple cotton produced in 1952. Commenting on the announcement, Secretary Brannan said: "Although cotton producers responded admirably to USDA's request for increased cotton production in 1951, we currently find ourselves not only considerably short of a 'quota position' on cotton but also with a potential carry-over considerably below a desirable level for these times. The situation is clearly not one that calls for either marketing quotas or acreage allotments."

L I V E S T O C K

Cattle prices on the Fort Worth market advanced moderately this week as scattered rains over much of north and northwest Texas improved prospects for fall and winter grazing. Stocker cattle were up as much as \$1.00 per cwt. in active and strong trading on Tuesday, October 23. A few Choice yearling feeder steers sold for \$34.00 and stocker cows sold as high as \$28.00.

The seasonal downturn of hog prices accelerated somewhat during the past week and on Monday and Tuesday of this week top price on the Fort Worth market was \$20.00 per cwt. with a few selling at \$19.75. This was the lowest price paid for hogs on the Fort Worth market since December 1950. Hog prices on the Chicago market also reached a new low for this year. This decline in hog prices has been anticipated by the trade and, in fact, has occurred somewhat later than normal. Marketings are increasing as the very large spring pig crop moves to market. Prices of other classes of livestock remain generally unchanged.

The number of cattle on feed October 1 in the 3 important feeding states of Illinois, Iowa, and Nebraska was 1,102,000 head, or 2 percent more than on the same date last year, according to the BAE. The BAE also reported that marketings of fed cattle from these 3 states during the period July 1 to September 30 were about 19 percent below the level for the same period last year and about 25 percent less than the expected rate based on conditions as of last July 1.

Receipts of livestock at the Fort Worth market since January 1 of this year, in comparison with the same period last year, are: cattle, 486,880 - up 51,648; calves, 280,831 - up 78,683; hogs, 595,337 - up 75,453; sheep, 758,143 - down 240,783. These figures include saleable receipts on the Fort Worth market as well as direct or through shipments.

### G R A I N S

Prices of grains on the Fort Worth Grain and Cotton Exchange continued to show considerable strength with prices generally steady or higher as compared with last week. The improved export situation appears to be the strongest factor in the market at this time. Top prices at the Fort Worth market on Tuesday, October 23, were: wheat No. 2 hard, \$2.70-3/4 per bushel; oats No. 2 white, \$1.17; corn No. 2 yellow, \$2.03-1/4; grain sorghum No. 2 yellow, \$2.82 per cwt.

Prospects for winter wheat production in the southwest were improved somewhat by light rain over most of the major wheat producing areas of Texas and Oklahoma. While these showers were insufficient to break the extended drought over much of the area they will stimulate germination of fields that were "dusted in" and revive fields that are already up to a stand. In central, southern and eastern Texas counties army worms are reported to be causing considerable damage to small grains. Harvest of the grain sorghum crop in the Northern High Plains is reported about 75 percent completed.

Prices for rough and milled rice held firm this week, according to the PMA. Good milling quality No. 1 Patna was quoted at \$5.86 to \$6.05 per 100 pounds in the Houston area. No. 2 Blue Bonnet sold from \$4.81 to \$4.96 with some lots of extra good quality as high as \$5.71.

Harvest of the 1951 crop is nearing completion rapidly in Arkansas, Louisiana, and Texas. Prior to October 1 approximately 32,000,000 pounds of the grain had been placed under the government price support program for rice.

### T R U C K C R O P S

Commercial vegetables in Texas are making good progress in all fall and winter sections. Light showers would be helpful in the Coastal Bend area to germinate some of the more recently planted crops but lack of moisture is not, as yet, a serious threat. Tomatoes in the Laredo section continue to hold a good set and a light harvest of egg plant and peppers has begun in the Lower Rio Grande Valley. The BAE reports that plantings of commercial vegetables in all areas are somewhat below normal.

The USDA reports that the demand for fresh vegetables in 1952 is expected to be slightly stronger than in 1951. With normal production this would indicate favorable prices for vegetables during the coming year. However, the USDA points out that the level of production, which is highly dependent upon weather conditions, will be a dominant factor in the price picture.

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

Poultry and egg prices remained virtually unchanged from a week ago. Broilers in the Tyler, Nacogdoches, Center area sold last week at 25 to 27 cents per pound. In the Gonzales, Smiley, Nixon area the market was barely steady with prices quoted at 28 to 29 cents per pound.

Turkey prices in South Texas (Gonzales, Cuero area) are reported about steady with growers being paid 30 to 31 cents for No. 1 broad breasted Bronze toms and 35 to 37 cents for hens. Offerings were generally plentiful but dealers are reported to be selecting the birds very carefully. In central and west Texas No. 1 broad breasted Bronze toms were bringing 30 to 34 cents per pound while hens sold mostly at 38 cents. Beltsville White toms and hens, under 15 pounds, sold mostly at 37 cents.

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