

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices rose more than 1 cent per pound last week, continuing the advance of previous weeks. On Monday, November 5 (November 6 was a market holiday in most states) Middling 15/16-inch cotton in the 10 designated markets averaged 39.08 cents per pound, compared with 37.95 a week earlier, and 36.53 a month ago.

The rise in the cotton market since early September appears to be associated with the "holding movement" carried on by cotton growers, on the one hand, and on the other the increasingly favorable outlook for cotton - both domestic consumption and exports - in 1952. Farmers have been selling a little more freely in the past several weeks as compared with early in the marketing season but still no rush has developed on the part of farmers to dispose of their cotton.

As farmers are now holding several million bales of cotton on hand the cotton market situation is becoming potentially more dangerous despite the further upward movement in prices. Cotton growers are holding cotton for no other reason than the expectation of higher prices, or for "speculative purposes." If the market should show some signs of temporary weakness they may dump their holdings on the market, causing a severe break in market prices.

The quality of cottonseed ginned in Texas in recent weeks has been excellent, according to the PMA. Prices for wagon-load lots at the gins the last week in October averaged \$77.80 per ton, having risen each week since the season opened.

G R A I N S

Prices of all grains have risen in the past week. No. 1 hard wheat sold Tuesday, November 6 on the Fort Worth Grain and Cotton Exchange for \$2.75-1/4 per bushel - 3-1/2 cents above a week earlier and 11 cents above a month ago. No. 2 barley at \$1.66 per bushel was up 4 cents for the week; No. 2 white oats at \$1.24-1/4 per bushel were up 6 cents; and No. 2 yellow milo at \$2.95 per cwt. was up 8 cents and higher than at any time since 1948. Corn prices advanced 1 to 2 cents per bushel. Prices are basis carloads on track or in storage; tax and freight paid to Texas common points, interstate rate, or Texas Gulf ports, domestic rate.

Nearly 1,127 million bushels of wheat were stored in all positions in the United States on October 1, 1951, compared with 1,207 million bushels a year earlier according to figures released last week by the BAE. Stocks in Texas totaled 47 million vs. 59 million last year. As compared with a year earlier, October 1 total stocks of corn in Texas were down 30 percent and oats were down 66 percent; off-farm stocks of grain sorghums were down about 50 percent.

Wheat prospects in northwest Texas are improving. Recent rains have given the growing crop a better color, while wheat seeded in the dust is coming up to a stand.

T R U C K C R O P S

The cold wave that struck Texas the morning of November 3 established new lows for this early in the season in practically all commercial vegetable sections of the State. Frosts were reported for all fall-crop and winter vegetable areas. Damage to tender vegetables is inevitable in all areas, reports the BAE, and

probably more severe in the heavier producing areas of Laredo, the Winter Garden, and Eagle Pass, where snap beans, cucumbers, eggplant, peppers, tomatoes, and squash were just coming into full production. It is too early to accurately assess the damage to truck crops caused by the freeze but loss of tender vegetables probably will be considerable. In most sections hearty-type vegetables are expected to come through without much damage.

L I V E S T O C K

Livestock prices experienced further declines during the past week, with losses running from 25 cents to as much as \$1.00 or more per cwt. On Tuesday, November 6 slaughter steers and heifers of Good and Low-Choice grade brought \$30.00-34.00, while Utility and Commercial grades brought \$22.00-29.00. The few Commercial grade beef cows on the market sold from \$25.00-26.00, with canners and cutters from \$14.00-20.00. Medium and Good stocker and feeder steers and yearlings cleared from \$26.00-32.00 with a few Good and Choice yearlings up to \$33.00. Good and Choice slaughter calves drew \$29.00-33.00.

Choice 180-270 pound hogs sold largely at \$19.25 with a few lots up to \$19.50. One shipment of Good and Choice 82 pound shorn slaughter lambs sold at \$29.00. Feeder lambs moved at from \$20.00-25.00.

P O U L T R Y

The Texas Department of Agriculture reports that broilers in the Gonzales-Smiley-Nixon area are selling mostly at 25-26 cents per pound, while prices in the Tyler-Nacogdoches-Center area are about 1 cent lower.

Farmers in south Texas are marketing their turkeys at an increasing rate. No. 1 broad breasted toms under 22 pounds are bringing 30-33 cents; hens 36-39, mostly 38 cents. Prices in central and west Texas are fractionally higher.

On the Fort Worth wholesale market current receipts of eggs sold Tuesday at \$14.00-15.00 per case; on a graded and candled basis eggs were reported from \$12.00-18.00.

F A R M P R I C E S A N D I N C O M E

The BAE index of farm prices in Texas, as of October 15, was 349 compared with 343 a month earlier; a peak of 399 in April, and 340 a year ago. The parity index (index of prices paid, interest, taxes, and farm wage rate) at mid-October was 283, which equaled the record established in April and May of 1951.

Farm income in Texas in the first 8 months of 1951 totaled \$1,071 million compared with \$1,123 million for the same months in 1950, according to data released last week by the USDA. A decline of \$190 million in cash receipts from sale of crops more than offset an increase of \$138 million for livestock and livestock products.

January-August cash receipts from farm marketings for other southwestern states and comparisons with a year earlier: Louisiana \$150 million, up 28 percent; Oklahoma \$338 million, up 2 percent; New Mexico \$94 million, up 22 percent; and Arizona \$157 million, up 25 percent.

U. S. farmers' cash receipts from marketings in 1951 will probably total about \$32.8 billion, or 14 percent above receipts in 1950. The total volume of farm marketings is 2 percent larger than last year's volume; and prices of farm products are up about 12 percent on the average.

W. M. Pritchett
Agricultural Economist