AGRICULTURAL NEWS OF THE WEEK

Federal Reserve Bank of Dallas

COTTON

The U. S. Department of Agriculture announced last week its November estimate of the 1951 cotton crop, placing the figure at 15,771,000 bales which was 1,150,000 bales less than the October estimate. The principal reduction in State estimates occurred in Mississippi, Arkansas, and Texas, with less important reductions in Oklahoma, Tennessee, Alabama, North Carolina, and Louisiana.

The November estimate of the Texas cotton crop is 4,300,000 bales - down half a million bales since the first of October. The reduction in the State is the result principally of smaller estimates for the South High Plains, the Low Rolling Plains, and the Blacklands, although estimates for most sections of the State were reduced.

Revised estimates for cotton production (bales) for other southwestern states: Louisiana, 770,000; Oklahoma, 500,000; New Mexico, 290,000; and Arizona, 820,000.

The market reaction to the greatly reduced cotton production estimate was immediate and sharp. Prices rose virtually the limit of 2 cents per pound on the day of the announcement (November 8) and the following day, closing on November 9 at an average of 43.53 cents per pound for Middling 15/16-inch cotton in the 10 spot markets, which compares with 38.94 cents a week earlier. However, as the market reached this high level many people who had bought earlier took advantage of this opportunity to sell at a profit; spot sales in the 10 markets jumped 50 percent on Saturday the 10th, and the market declined almost 2 cents.

The long week end (Monday, November 12 was a holiday) permitted buyers and sellers to weigh more carefully the factors in the cotton market and the market rose on Tuesday, closing at 42.69 cents for the 10 markets. The rise this week is said to be based partly on the report that the November cotton production estimate, although down sharply, was made prior to the early November freeze and a further downward adjustment probably will be made in December.

Texas ginnings through October 31 amounted to 2,516,000 bales compared with 1,795,000 bales a year ago, according to the Bureau of the Census. Cotton ginned in the State through this date this year averaged a little lower in grade and slightly shorter in staple length than that ginned during the corresponding period last year.

The PMA reports that cottonseed prices in wagon-load lots at the gins in Texas during the first week of November ranged from $75.00 to $85.00 per ton, with an average price of $77.80. During the corresponding period one year ago, the average gin yard price was $98.40 and 2 years ago the price averaged $43.80.

GRAINS

The grain markets continue to advance, stimulated by a multitude of factors, including unfavorable weather in grain producing areas and some pickup in exports.

On Tuesday, November 13 No. 1 hard wheat sold on the Fort Worth market at a top price of $2.78-3/4 per bushel - the highest price paid since February, 1948. No. 2 barley at $1.73 per bushel was 7 cents above a week earlier. No. 2 white oats at $1.27-3/4 per bushel were up 3 cents for the week.

No. 2 yellow corn at $2.14-1/2 on Tuesday was up 7 cents while No. 2 white corn at $2.34 per bushel was up 5 cents as compared with Tuesday of last week.
No. 2 yellow milo (sorghum grain) reached $3.02 per cwt. on Friday, November 9 which was the first time it had been above $3.00 since June 1948. The top price on Tuesday, November 11 was $2.98.

Activity in the Texas and Louisiana rice markets quieted down last week although prices generally held steady, according to the PMA. In the Houston area No. 2 Patna was quoted at $5.25 to $5.41 per 100 pounds. Bluebonnet grading No. 2 or 3 was quoted at $4.78 to $4.93.

LIVESTOCK

The weakness in the livestock markets that became apparent several weeks ago is still evident. Price declines during the past week ranged from 25 cents to $1.00 or more. On Tuesday, November 13, Good and Choice slaughter steers and yearlings sold in Fort Worth at $30.00-34.00 per cwt. Beef cows sold mainly from $19.00-23.00 with a few Commercial up to $25.00. Good and Choice calves brought $29.00-33.00, with a few higher. Medium and Good stockers and feeders turned from $26.00-32.00, with one load of 2-year-olds at $32.50.

Declining seasonally, hog prices fell to $18.75, top price for 180-270 lbs. Choice 150-175 lbs. and 280-300 lbs. ranged from $17.00-18.25.

A shipment of Choice and Prime 105 lb. shorn slaughter lambs with No. 1 pelts brought $29.00. Good and Choice 77 lb. shorn slaughter lambs cashed at $28.00.

WOOL AND MOHAIR

The Boston wool market was very dull last week, according to the PMA. Markets in Australia continued strong. There were no sales of wools reported in Texas.

Average weekly consumption of apparel wools in the U. S. in August was 7.2 million pounds vs. 6.1 million in July and 9.7 million in August 1950, according to figures just released.

Around 1 million pounds of mohair was bought in Texas last week at $1.05 to $1.10 per lb. for adult and $1.30 to $1.35 for kid hair. Estimates of unsold mohair in Texas are placed at around half a million pounds.

POULTRY

Broilers sold in East Texas late last week at 23-25 cents per lb., and for the week averaged 2 cents under the previous week, according to the Texas Department of Agriculture. Prices in South Texas ranged from 24-26 cents, unchanged from the preceding week.

Turkeys held about unchanged at Texas points last week. F.o.b. farm prices for toms from well finished commercial fed flocks were mostly 32-34, hens 38-39 cents per lb. Range types 3-5 cents under commercial fed kinds.

PECANS

Texas pecan production is estimated at 12 million pounds, the smallest crop since 1942 and compares with last year's harvest of 39 million pounds. Louisiana and Oklahoma crops, at 13 million and 29 million pounds, respectively, are up sharply from 1950.

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