Federal Reserve Bank of Dallas

POULTRY

Broiler prices in local Southwest markets have strengthened since mid-November. Broilers and fryers sold in South Texas - Gonzales-Smiley-Nixon area - this week at 30 cents per pound, while quotations from East Texas - Tyler-Nacogdoches-Center area - were mostly at 28-29 cents. Prices now are about 6 cents per pound above the November low.

In Fort Worth, Top Grade Commercial fryers sold this week mostly at 29-30 cents per pound, Low Grade fryers brought 25 cents and lower. Heavy hens were quoted at 20-21 cents.

Turkey prices have eased since the Christmas Holiday. No. 1 turkey hens sold in Fort Worth this week at 30-35 cents per pound, or about 7 cents under the December peak.

Texas broiler growers produced a record number of broilers in 1951, and have started 1952 with production at a much higher level than a year ago. Broiler chick placement on Texas farms reached a record level during the week ended January 12 when 1,465,000 broiler chicks were placed. Placements for the first 2 weeks in January totaled about 2,750,000, or a million more than in the same weeks of last year.

The booming broiler industry in the Southwest is placing heavy demands on commercial hatcheries for baby chicks. Commercial hatcheries in Texas last month produced 5,470,000 chicks, or 38% above December 1950, according to BAE estimates. About 82% of the December output was commercial broiler chicks, and 8% was for farm flock replacements.

The preliminary total hatchery production in Texas during 1951 shows about 84 million chicks - the highest annual output on record - exceeding the 1950 output by about 4%, and the previous record established in 1943 by about 9%. Egg production in Texas during December 1951 was estimated by the BAE at 151 million, an increase of 10% over the December 1950 production. There were 1% fewer hens on farms last month but egg production per hen was up 16% from a year ago.

LIVESTOCK

Cattle and calves sold in Fort Worth this week at generally steady prices, some sales reflecting a slight improvement over the recent low spots. Good and Choice fed steers and yearlings cashed at $28.50-34.50. Common and Medium steers and yearlings bulked at $20.00-28.50. Fat cows cleared at $18.50-23.50. Good and Choice slaughter calves cashed at $28.50-33.00, while Common and Medium butcher calves drew $20.00-28.50.

Butcher hogs were strong to 25 cents higher this week, with prices ranging generally up to $18.00, a few $18.25.

Good and Choice woolled slaughter lambs cashed at $27.25-27.50, and shorn lambs brought $21.00-26.50. Stocker and Feeder lambs brought $20.00-27.50.

The number of cattle on feed in the U.S. on January 1, 1952, was 11% larger than a year ago and the largest on record, according to the BAE. Based on present information, says the Bureau, the number of cattle received at Corn Belt markets during the next 3 months is expected to be somewhat higher than last year. The number of high-grade fed cattle is also expected to be greater.

The expectation of heavier cattle marketings in the next few months is interpreted by some people as foreshadowing lower cattle prices. However, with
consumer income and probably the demand for beef steadily rising there are dif-
ferences of opinion as to the ultimate effect heavier marketings will have on
price trends.

Livestock marketings at the leading markets are running above a year
ago and prices have shown weakening tendencies. However, it is not possible to
determine to what extent the lower prices may be due to changes in the demand-
supply situation or to frequent work stoppages in packing plants at several
markets.

W O O L

Occasional sales of greasy foreign and domestic worsted wools in the
Boston Wool Market were reported last week. Prices held about unchanged.
Cabled reports to the PMA from Australia last week showed a slightly
easier tone in the wool market. Similar reports were received from New Zealand,
South Africa, and South America.

A small lot of 12-months Texas wool, Good French combing with some
staple, sold last week at an estimated clean price of around $1.85 to $1.88 per
pound in the local market.

C O T T O N

Cotton prices continue to fluctuate within a range of about 1 cent per
pound. On Tuesday, January 22, Middling 15/16-inch cotton on the Dallas market
closed at 41.60 cents per pound, compared with 41.65 a week earlier and 42.10
cents 2 weeks ago.

Domestic mill consumption of cotton in December was sharply below a year
earlier; consumption averaged 35,400 bales per working day, compared with 41,300
in December 1950. Mills consumed 3.8 million bales in the first 5 months (August
-December) of this season, compared with 4.4 million bales in the corresponding
5 months last season and 3.6 million 2 years ago. Should consumption in the
remaining 7 months of the season average the same as in the first 5 months, the
season's total would approximate 9.4 million bales vs. 10.5 million last season.

Official estimates, combined with unofficial data, show cotton exports
from the U.S. in the August-December period at over 2.7 million bales, compared
with less than 1.5 million a year earlier.

Cottonseed prices in Texas have declined further and were reported last
week at an average of about $74.80 per ton, f.o.b. the gins.

M I S C E L L A N E O U S

Milk production in Texas throughout most of 1951 was at a lower rate than
in 1950. However, December production was estimated by the BAE at 271 million
pounds, compared with 269 million in December 1950. Milk production in the State
in 1951 was about 3% less than in 1950.

Moisture conditions in flaxseed areas of South Texas permitted seeding
full intended acreages in sharp contrast to a year ago when extreme drought had
prevented the seeding of any acreage. The crop has made fair to good progress,
although a December freeze caused some damage and growth has been retarded by
dry weather.

The USDA has announced that it will consider the purchase of shelled pecans
in an amount that may approximate 1.5 million pounds. The program is intended to
assist growers in marketing the large 1951 pecan crop, estimated at 143 million
pounds vs. 127 million in 1950.

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