

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton prices dropped sharply in the past several marketing days. On Monday, January 11 (markets were closed Tuesday in observance of Lincoln's Birthday), Middling 15/16-inch cotton on the Dallas Cotton Exchange closed at 39.90¢, compared with last week's peak of 41.65¢ and with 41.90¢ in the previous week. Prices a month ago were above 42¢.

The demand for cotton last week was not only slow, as indicated by the decline in prices, but buyers were more selective in their purchases than in previous weeks, according to the PMA. The best demand was for bright Strict Low Middlings and above grades in the medium staples. Producer and dealer offerings of these qualities were limited and in some cases prices restricted trading. There was a fair demand for the higher light spotted grades in the medium staples. There was practically no demand for the shorter staples or the lower spotted and colored grades.

Merchants and shippers bought cotton last week only to fill present needs. Domestic mill purchases were small in volume and mostly for prompt delivery. Export demand was largely for the better grades and staples.

Some cotton has been planted in the Lower Rio Grande Valley and Coastal Bend sections of Texas and a few fields are up to a good stand. However, moisture is needed to maintain growth and for further planting.

G R A I N S

Prices of most grains declined last week. No. 1 hard wheat sold in Fort Worth Monday at \$2.73½ per bushel - ½¢ under a week earlier and lower than at any time since November 2. Prices now are about 12¢ under the December peak.

Closing top prices for other grains in Fort Worth Monday in comparison with a month ago: No. 2 barley \$1.71 per bushel, down 6¢; No. 2 white oats \$1.13 per bushel, down 11½¢; No. 2 yellow corn \$2.10¼, off 12¢; No. 2 white corn \$2.34½, down 18½¢; and No. 2 yellow milo \$3.13 per cwt., off 4¢.

One factor in the declining wheat prices is the rather favorable outlook for winter production in all sections except the Southwest. The crop in northwest Texas and adjacent counties of New Mexico and Oklahoma is in need of rain and is threatened by insects.

The Department of Agriculture has announced that it will support this year's corn crop at not less than \$1.60 per bushel. The support rate may move higher by the time actual support prices are determined; the support price will be 90% of parity as of October 1, 1952. Corn was supported in 1951 at \$1.57 per bushel.

F R U I T S

Consumption of frozen orange juice in 1951 for the first time slightly exceeded that of hot-pack canned orange juice, according to last week's BAE report, The Fruit Situation. The consumption of these two types of juices combined in 1951, fresh weight equivalent, was about equal to that of fresh oranges. Ten years ago fresh oranges made up about 92% of total orange consumption. During the past decade total orange consumption has increased about 41%.

Total supplies of fruits for the first half of 1952 are larger than a year earlier. Among fresh fruits, supplies of oranges are considerably larger than in the first half of 1951 (despite a very short crop in Texas), those of grapefruit are about the same, while those of apples and pears are smaller. Imports

of bananas are expected to be about the same. Commercial production of strawberries probably will be smaller this spring than a year earlier because of a 6% reduction in acreage.

With consumer demand continuing strong and supplies considerably smaller than a year ago, grower prices for apples and pears are expected to rise somewhat this winter and spring. Prices for oranges may rise less than seasonally as demand for processing strengthens, but little change seems probable for prices of grapefruit.

L I V E S T O C K

Prices of cattle and sheep on the Fort Worth market are fluctuating from day to day but have shown little upward or downward trend in the past several weeks. However, hog prices, which have been shifting downward since last summer, dropped to \$18.00 top price last week, and are now about \$5.00 per cwt. below a year ago. Hog prices are likely to strengthen in the weeks ahead as marketings decline seasonally.

Good and Choice slaughter steers and yearlings sold this week at \$30.00-34.00, or \$2.00 under the same week last year.

Good and Choice slaughter lambs are bringing \$26.00-27.00 - 50¢ under a month ago and about \$11.00 under the February 1951 level.

Due to small receipts, prices proved steady to strong and some sales unevenly higher on the San Antonio goat market last week. Common and Medium Spanish type went at \$11.00-12.50. Shorn Angoras ranged from \$10.00-13.00. Kids sold mostly at \$6.00-8.00 per head.

The monthly livestock and range report of the BAE places the condition of Texas range feed on February 1 at 61%, compared with 69% a year earlier and a 10-year average of 77% for this date. The condition of livestock in the range areas of Texas has been held fairly well by heavy feeding but they still have the poorest February condition rating in 30 years of record, except in 1935.

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

Prices for domestic fleece wools in Boston last week showed an "easier tendency", according to the PMA. However, cabled reports from foreign countries showed firm prices in most markets with a slight price advance in Sydney, Australia.

There was continued contracting of spring mohair on a small scale reported from Texas last week at \$1.01½ for adult and \$1.26½ for kid mohair. A small quantity of grade 26s adult mohair sold in the local market at \$1.17.

Consumption of apparel wool in the first 11 months of 1951 was 12% less than in the same period of 1950. Consumption of carpet wool was down 48%.

P O U L T R Y

The farm poultry market in Texas early this week was steady, according to the Texas Department of Agriculture. Broilers and fryers in South Texas brought 30¢ per pound. Prices in East Texas were 28-29¢, mostly 29.

Egg prices in Fort Worth this week reflect the general decline that has been underway since December. Ungraded eggs were listed at \$8.40-9.30 per case, with graded eggs at \$10.00-11.70 per case. Graded eggs at mid-January were \$11.50-14.50. Reports from terminal markets show egg prices generally weak with offerings heavy and buying interest light.

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