

Federal Reserve Bank of Dallas

C O T T O N

The USDA announced last week that the loan rate for 1952-crop Middling 7/8-inch cotton will average not less than 30.91 cents per pound. The 1951-crop average loan rate for Middling 7/8-inch cotton was 30.46 cents per pound. On the basis of price differentials between grades this season it is expected that the average loan for Middling 15/16-inch cotton from the 1952 crop will be above 32 cents, compared with 31.71 for the 1951 crop.

Spot cotton markets rose last week and early this week, partly on the strength of a slight pickup in mill and export buying. Middling 15/16-inch cotton on the Dallas Cotton Exchange closed Monday, February 25, at 40.35 cents per pound, compared with 39.25 a week earlier. However, the market reacted downward on Tuesday under influence of declines in securities and grains and reports of rains in Texas. Middling 15/16-inch cotton on the Dallas market closed at 39.70 cents, off 65 points from the previous day.

Domestic mill consumption of cotton increased seasonally during January but was substantially below January 1951, according to the Bureau of the Census. During the first 6 months (August-January) this season about 4,707,000 bales were consumed, compared with 5,449,000 in the corresponding period a year earlier. On a daily rate basis, consumption in the first half of the current season is down 10% from a year ago.

G R A I N S

Spot prices of most grains have been declining for the past week or more. Rather sharp price drops reported this week are attributed to improved weather conditions in the Southwest, as they affect the winter grain crops; also, farmers are offering larger quantities of their surplus wheat. Export of domestic grains is slow, while the domestic flour business is quiet.

On Tuesday, February 26, No. 1 hard wheat sold in Fort Worth at \$2.72-3/4 per bushel - 3 cents under a week earlier; No. 2 yellow corn brought \$2.08 - down 4 cents; No. 2 white corn at \$2.28-1/4 was off 4-1/4 cents; No. 2 yellow milo sold at \$3.11 per cwt. - 2 cents lower.

Grain sorghum planting has started in the Coastal Bend and corn planting is expected to start in southcentral Texas as soon as soils dry.

L I V E S T O C K

Hog prices on the Fort Worth market dropped last week to the lowest level since April 1950. On Thursday, February 21, most Choice 180-275 lbs. sold for \$17.50, a few lots at \$17.75. Prices were slightly higher on Tuesday of this week, with the bulk of offerings selling at \$18.00-18.25. However, the market is described in reports as being "generally slow."

Cattle prices are uneven this week. Good and Choice fed steers and yearlings brought \$30.00-34.00, and Common, Plain, and Medium sorts sold for \$22.00-29.00 on Tuesday of this week. However, cattle receipts are light.

Sheep and lamb prices are steady this week. Good and Choice shorn fat lambs with No. 2 pelts sold in Fort Worth Tuesday for \$25.50, and Good shorn feeder lambs cashed at \$25.00.

Goat sales on the San Antonio market last week were at generally steady prices.

The increase of 2% in numbers of cattle and calves on Texas farms and ranches on January 1, 1952, as compared with a year earlier, was reported last week. Additional information provided later by the BAE office in Austin shows that there were increases in numbers of cattle and calves on farms in east Texas and along the Upper Coast which more than offset decreased cattle inventories in southern and western ranching areas. Droughty conditions and lack of range feed forced a sharp reduction of herds in the Plateau, Trans-Pecos, and southern counties.

Unless droughty conditions force widespread liquidation, the 13% increase over a year earlier in number of yearling heifers points to increased numbers of breeding stock during the coming year.

#### W O O L   A N D   M O H A I R

On February 20 the USDA announced that the price support program on shorn wool in 1952 will operate through a loan program rather than through a purchase program as in recent years. The average level of support had been announced previously at 90% of parity. Dollars-and-cents support prices will be announced about April 1 when the wool marketing year for price support purposes begins. Price of pulled wool will continue to be supported through purchases. The new price support program for shorn wool, like previous programs, requires that to be eligible for loan the title of shorn wool must rest with the producer. The wool must be placed in an approved warehouse and must be in a merchantable condition.

The PMA reports that a fair sized quantity of good French combing length, 12-months Texas wool sold last week at an estimated clean price of around \$1.55 per pound.

Approximately 1 million pounds of mohair had been contracted in Texas up to last week at \$1.01-1/2 for adult and \$1.26-1/2 for kid mohair.

Business conditions remained stagnant last week in the Boston wool market.

Wool production in the U. S., both shorn and pulled, is expected to be somewhat larger in 1952 than in 1951. This expectation is based on the increase in the number of stock sheep on farms which took place last year. Preliminary figures on wool developments in 1951 show that, as compared with 1950, domestic consumption of apparel wool was off 12%, while consumption of carpet wool was down 48%. Imports of apparel wool were up 10%; imports of carpet wool were down more than 80%.

#### P O U L T R Y

Texas poultry markets this week are holding about steady. Prices paid for broilers and fryers in South Texas are reported by the Texas State Department of Agriculture at 30 cents for all weights; East Texas, 27-29, mostly 28; Waco and Corsicana area, 28-29, mostly 28.

Texas commercial hatcheries produced 7.3 million chicks during January, according to last week's BAE report on hatchery production. This was about 53% more than during the same month a year ago. About 77% of the January output was commercial broiler chicks. Demand for broiler chicks has been strong, says BAE, while demand for farm flock chicks has not picked up as sharply as may be expected.