

Federal Reserve Bank of Dallas

C O T T O N

Spot cotton markets strengthened last week; on Wednesday, April 2, Middling 15/16-inch cotton on the Dallas market closed at 41.95 cents per pound - the highest since early January. Quotations this week were a few points lower.

The PMA reports that trading in southwestern spot cotton markets last week generally was slow but tended to increase during the latter part. Inquiries were not too numerous. The demand was very selective, and qualities in demand were in scarce supply.

Prices for cotton during March 1952 averaged about 10 percent lower than a year earlier, while cloth prices averaged about 29 percent below the March 1951 level. The ratio of prices of unfinished cotton goods to cotton prices in March was one of the lowest cloth-cotton price ratios of record.

On the basis of present prospects regarding consumption and exports, the USDA estimates that the U.S. carry-over of cotton on August 1, 1952 may be smaller than the 2.3 million bales on August 1, 1951, which was the smallest in 26 years.

The USDA has announced that price support loans on 1952-crop cottonseed will be available at \$66.40 per ton for basis grade (100) and that in areas where a purchase program may be necessary, purchases will be made at \$62.40 per ton. The loan rate on 1951-crop cottonseed was \$65.50 per ton, and the purchase price was \$61.50.

Prices for 1952-crop cottonseed will be supported by means of loans, purchase agreements, and purchases of cottonseed and cottonseed products.

T R U C K C R O P S

In a report on conditions in Texas vegetable areas in the second half of March, the BAE says that dry weather prevailed in the early sections, with strong winds in most areas. A severe cold spell the morning of March 24 caused heavy loss of tomato acreage in east Texas and in the Yoakum area, with damage extending south into the Falfurrias section. There was also loss of watermelon acreage and heavy leaf burn in cantaloupe and cucumber crops, while maturity of the south Texas onion crop was retarded.

Fairly good rains have been received extending from east and central counties to the coastal counties and scattered areas of the Lower Valley, and they have been especially beneficial to tender crops. Although fairly good showers were received in the Lower Valley, the water supply for irrigation continues low.

In Louisiana, all commercial vegetable crops were improved by rains the last 2 days of March, but progress of some crops was retarded by cool night temperatures.

Warmer weather in Arizona the last week of March accelerated planting of cantaloupes and watermelons, which is nearing completion.

L I V E S T O C K

Prices of hogs and cattle on the Fort Worth market continue steady to weak, although spring lamb prices have risen sharply in response to the Easter demand.

The top price paid for hogs on April 3 was \$16.75 per cwt.; this is the first time hogs have dropped this low in about 2 years. The top price this week is \$17.00.

Good and Choice slaughter steers and yearlings are bringing \$28.50 to \$33.50, with occasional lots up to \$34.00 and odd head reaching \$35.00. Medium and Good stockers and feeders are selling at \$26.00 to \$32.00; a few Choice yearlings sold this week at \$33.00.

After several months in which the lamb market had been relatively quiet, there was a marked pickup in lamb buying this week. Choice 45-55-lb. spring lambs sold as high as \$40.00 per cwt., which is the highest price ever paid for springers on the Fort Worth market.

Goats dropped \$1.00 on the San Antonio market last week. Medium shorn Angoras cleared at \$11.50 to \$13.00. Kids sold from \$4.50 to \$7.50 per head.

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

Loan rates on "shorn wool" and purchase prices for "pulled wool" under the 1952 wool price support program are based on the national average support level of 54.2 cents per pound of wool, grease basis, for the 1952-53 marketing year. The program on shorn wool for the current season will operate as previously announced, on February 20, through nonrecourse loans, which will be available through December 31, 1952.

Business in the Boston wool market continues slow, although prices are holding relatively steady, as indicated by the few sales made. Meanwhile, prices continue to decline in some of the leading foreign markets.

There was no trading in Texas wool last week. The mohair market was also stagnant; most offers of 90 cents to the mohair growers in Texas were withdrawn, while some buyers were reported offering 75 cents.

Average weekly consumption of apparel wools in January 1952 was less than 5.8 million pounds, according to figures just released. This compares with a weekly average of 6.3 million pounds in December and 8.1 million pounds in January 1951.

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

The USDA has reported that 1.8 billion dollars was invested in CCC price support program loans and inventories as of February 29, 1952 and that the Corporation sustained a net realized loss of 40 million dollars in carrying out this program during the first 8 months of the current fiscal year, which ends June 30, 1952.

Broiler prices in east and south Texas dropped at the end of March to 24 cents per pound, which compares with 31 to 32 cents in January. Prices this week are around 25 cents. It is reported that many broiler producers are unable to make a profit at current market prices. Generally speaking, feed prices are high or rising, while broiler prices are declining.

Flaxseed prices have been dropping for four consecutive months. Flaxseed on the Minneapolis market fell last week to \$3.90 per cwt., compared with a peak of \$4.61 in January. Meanwhile, flax in south Texas is nearing maturity, with favored sections which received moisture in recent weeks reporting improved prospects.

Pecans are reported leafing out and blooming over the Edwards Plateau and central counties of Texas, although the recent freezes apparently caused some damage. Late peaches are blooming in central and northern counties of the State, while it appears that early blooming varieties were damaged severely by low temperatures in late March.