

Federal Reserve Bank of Dallas

R A I N - R A I N

The big news in Southwest agriculture this week is the rain received over most of the area in the past week - with more to come, according to the weatherman. Practically every section of Texas, as well as parts of adjoining states, received showers during this rainy period. Droughty conditions have been relieved over the Southwest, with the exception of local areas.

In the Trans-Pecos, Plateau, and some adjacent Plains counties, amounts of rainfall received were generally light, although scattered sections received moderate to heavy local showers. Also, in south Texas the light rain was generally insufficient to ease the drought or to improve crop prospects materially.

Good rains have been received throughout the northern High Plains and adjacent Low Rolling Plains counties, and wheat prospects were improved on the acreage that had survived earlier hazards.

The improved moisture situation has greatly brightened farmers' hopes for crop production this year. With much acreage planted and most of the remaining acreage prepared for planting, farmers can proceed with planting operations as soon as wet soils dry sufficiently.

C O T T O N

For some time the spot cotton market had been bolstered partly by the drought in the Southwest and by dim prospects for cotton production in this area this year. Accordingly, when widespread rains were received in the past week, the spot cotton market sagged. On Tuesday, April 22, Middling 15/16-inch cotton on the Dallas market was down to 39.90 cents per pound, compared with 40.85 a week earlier and 41.60 two weeks ago.

Cotton futures are easing down also. October 1952 futures closed Tuesday on the New Orleans Exchange at 36.70 cents, or 1 cent under 2 weeks ago.

Mill consumption of cotton during the first 8 months of the current season (August-March) totaled 6.2 million bales, compared with 7.3 million a year earlier, according to the Bureau of the Census. It is expected that consumption for the entire season probably will reach 9.1 million bales, vs. 10.5 million in 1950-51.

Exports of cotton in the August-March period are estimated at 4.7 million bales, vs. 2.9 million a year ago.

G R A I N S

Except for fractional changes in quotations from day to day, which are of importance to grain dealers, millers, and others, there have been few developments in the grain markets during the past week that would cause much concern to farmers. The most noteworthy change on the Fort Worth grain market was a rise of 5 cents per cwt. in prices of sorghum grain, or to a top price of \$3.20 per cwt. This is the highest level reached in about 3 years, although it is only a few cents above the levels of the past 5 months.

No. 1 hard wheat sold Tuesday in Fort Worth at \$2.74-3/4 per bushel, or about the same as for the past 2 months. Changes in prices of other grains were fractional.

As mentioned previously, the rains of the past week have benefited greatly the winter wheat crop in north and northwest Texas, as well as in adjacent parts of Oklahoma and New Mexico. To what extent the timely rains will offset losses due to

miscellaneous causes remains to be seen. Some wheat is in the boot stage in the earlier High Plains counties and is beginning to head in the Low Rolling Plains.

#### L I V E S T O C K

Livestock markets were somewhat uneven last week. The Easter meat trade did not develop as expected, and stocks of meats on hand after the Holiday resulted in slower buying at livestock markets. However, changes in livestock quotations generally were relatively small.

The most significant price development on the Fort Worth livestock market this week is a rise in hog prices. On Tuesday, April 22, hogs brought a top price of \$17.75 per cwt. - 50 cents above last week. Livestock market analysts have been predicting a spring rise in hog prices, although it has failed to materialize as soon as expected.

The number of cattle on feed in the 11 Corn Belt States on April 1 was 3 percent more than a year earlier, according to the BAE. The increase was equivalent to about 80,000 head. On January 1 the number of cattle on feed in these states was 6 percent above the year-earlier level.

#### P O U L T R Y   A N D   E G G S

Commercial hatcheries in Texas produced 14.1 million chicks during March this year, compared with 11.7 million during the same month last year, according to the BAE office in Austin. This is the largest March output on record except for 1943, when nearly 16 million chicks were hatched. Hatchery production in the State in the first quarter of 1952 was up 39 percent from last year.

Turkey hatchery operations in the U.S. during March were at a high level. Hatcheries supplying information on turkey operations reported 27 percent more poults hatched during March than a year earlier. These same hatcheries had 40 percent more eggs in incubators on April 1 than a year ago.

Egg production on Texas farms during March totaled 322 million - 4 percent more than a year ago; first-quarter production in the State was up 14 percent, vs. 7 percent for the U.S.

Prices of poultry and eggs on the Fort Worth wholesale market are holding relatively stable. Meanwhile, broiler quotations in East and South Texas are barely steady to weak, as supplies are plentiful in relation to demand; this week's quotations are mostly 24 to 25 cents per pound.

Egg prices in Fort Worth remain at \$8.50 to \$9.50 per case for current receipts eggs and \$10 to \$10.50 for large selects.

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

Two cars of mohair were sold in Texas last week at 81-1/2 cents for adult and \$1.06-1/2 for kid mohair at the warehouse, according to a PMA report.

The USDA estimates cash farm income from sale of milk, cream, and butter in Texas last year at \$196,101,000, compared with \$176,745,000 in 1950. Virtually all of the increase was from sales of milk and cream to plants and dealers at wholesale. Sales of butter and retail sales of milk and cream provided less cash income to farmers.

The price of cottonseed oil has been drifting downward since September and was quoted in Fort Worth this week at 9-3/4 cents per pound, compared with 11-3/4 a month ago and 14-3/4 in September. This decline reflects a general weakness in the fats and oils market.