

Federal Reserve Bank of Dallas

AGRICULTURAL PRICES

Prices received by U.S. farmers increased two-thirds of 1 percent from mid-March to mid-April, according to the U.S. Department of Agriculture. Increases were recorded in prices of potatoes, eggs, lambs, sheep, cotton, cabbage, tomatoes, and onions. As of mid-April, the index stood at 290 percent of the 1910-14 average. Since that time, prices of cotton, corn, lambs, and sheep have declined.

From mid-March to mid-April, prices paid by farmers increased 1 percentage point to 289 percent of the 1910-14 average - a record high.

The parity ratio remained unchanged at 100.

Parity prices for selected commodities: cotton, 34.35 cents per pound; wheat, \$2.45 per bushel; rice, \$5.64 per 100 pounds; corn, \$1.78 per bushel; grain sorghums, \$2.85 per cwt.; beef cattle, \$21.30 per cwt.; hogs, \$21.60 per cwt.; lambs, \$23.40 per cwt.; milk (wholesale), \$4.86 per 100 pounds; eggs, 50.7 cents per dozen; and wool, 60.5 cents per pound.

POULTRY AND EGGS

Broiler prices continued to decline through Tuesday of this week. On that date, prices in south Texas were quoted at 20 to 22 cents per pound for birds 3 pounds and under and 17 to 20 cents for those over 3 pounds. East Texas prices were quoted at 20 to 21 cents, while Waco and Corsicana reported 21 cents. These prices are generally from 3 to 5 cents below the market early last week. The decline has been particularly severe on birds weighing more than 3 pounds. Markets throughout the Nation have been weak during the past few days, with only the North Carolina market reporting steady prices. Prices in the northwest Arkansas area on Tuesday of this week were reported at 19 to 20 cents. This sharp decline in broiler prices has occurred at a time of year when most producers least expected it, since broiler prices usually are weakest around the first of the year.

It is significant to note that the number of eggs set has been declining generally since mid-February this year and rather sharply since late March. Place-ments of chicks exceeded the volume of a year ago by a substantial margin through the third week in March. Since that time, the volume has been only slightly higher. A similar picture has prevailed for the Nation as a whole. In view of the 10-week production period for broilers, these data would indicate that heavy marketings may continue for an additional 2 or 3 weeks. There has been no substantial change in the consumer demand for broiler meat.

Prices for other poultry meats and for eggs were generally unchanged from a week ago.

COTTON

Cotton prices dropped sharply in dull trading early this week. On Tuesday, Middling 15/16-inch staple in Dallas averaged 38.10 cents per pound, compared with 39.90 a week ago and 41.25 a month ago. Last year at this time, the price was 44.77 cents - the ceiling.

Cotton futures declined somewhat less than the prices of spot cotton, although substantial losses were experienced in the near-by May and July contracts. October 1952 futures at 36.30 were only slightly below last week's price but were off about a cent from a month ago.

The lack of activity in the textile trade that has persisted for several

months appeared to be the most important factor in the price decline. Inquiries for both domestic and export trade were few, and the volume of cotton traded was the lowest for any week this season. Most shippers were buying only to meet commitments. The trade generally appears to lack confidence in any strengthening of the market during the current season.

Cotton exports, according to the USDA, are expected to taper off during the balance of the season. However, a good volume will be moved under commitments already made. Some additional purchases are also anticipated. Latest forecasts indicate total exports for this season at 5.8 million bales - down about 200,000 bales from earlier predictions.

Total disappearance of cotton in the 8 months (August 1951-March 1952) was approximately 10.9 million bales, compared with 10.2 million in the corresponding period last season and 9.7 million 2 years ago. At the end of March this season, the total supply of cotton was about 6.5 million bales, compared with 6.7 million a year earlier and 11.7 million 2 years ago.

Prospects for this year's cotton crop were generally improved over most of the Southwest by light to heavy rains early last week. The Lower Rio Grande Valley still is in need of additional moisture, and the crop in that section is in all stages of growth. The growing acreage is estimated at from 300,000 to 400,000 acres. Planting and land preparation were delayed in much of central, northern, and eastern parts of the District by heavy rainfall. Some replanting will be necessary.

G R A I N S

Grain prices on the Fort Worth Grain and Cotton Exchange declined moderately during the past week. Generally favorable weather for planting of spring-sown crops - particularly in the Midwest - together with favorable reports on the wheat crop in all sections except the Southwest, created a downward pressure on prices of most grains. Export business also has been somewhat slower during the past week, but totals for the year are expected to reach near-record levels.

Tuesday's top prices at Fort Worth were: No. 1 hard wheat, \$2.73 per bushel; No. 2 white oats, \$1.09-1/2; No. 2 yellow corn, \$2.10-3/4; and No. 2 yellow milo, \$3.19 per cwt.

The rains of last week brought about considerable improvement in the wheat crop in the northern High Plains and in northern and central Texas. Recent freeze damage in the Panhandle now appears to be limited largely to early varieties that were jointing when the freeze occurred.

The Texas corn crop has been planted in all except northwestern areas and is generally in fair to good condition. However, cool nights have retarded growth, and considerable replanting has been necessary.

Flax yields in south Texas are turning out better than expected, but harvest operations are complicated by late blooming due to recent rains.

L I V E S T O C K

There have been no substantial changes in livestock prices during the past week. Receipts at Fort Worth thus far this week have been relatively high, with Monday's cattle receipts the largest for any Monday since early January. However, the total marketings of cattle since January 1 this year are still slightly below the number received during the same period in 1951.