

Federal Reserve Bank of Dallas

C O T T O N

Cotton prices tended to level off early this week, following one of the sharpest declines since last summer. At the end of last week, the 10-market average was at the lowest level since late-October 1951. Middling 15/16-inch staple at Dallas was quoted at 38.10 cents per pound on Tuesday of this week - the same as a week ago and nearly 2 cents below 2 weeks earlier.

Trading was very light, with the cotton textile market quiet and inquiries for export very limited. Some mills were reported to be requesting deferred delivery for cotton scheduled to be delivered during the next 2 months.

Details of the cotton price support program for 1952 have been announced by the Secretary of Agriculture. The program differs from previous cotton price support programs principally in that it gives greater encouragement to the use of local lending agencies in the granting and servicing of loans on cotton. Purchase agreements are also available to producers for the first time. The Secretary had announced previously that the average loan rate for this year's crop would be not less than 30.91 cents per pound for Middling 7/8-inch staple. The final loan rate will be based on parity as of July 15 and will be announced about August 1.

Cotton planting is making good to excellent progress in most of the Southwest. All sections except extreme south Texas have adequate moisture for proper germination and growth. The territory south of Lubbock will need additional rain soon, inasmuch as it has not received as much moisture as other sections of west Texas. The Lower Rio Grande Valley crop continues to be a question. Water for irrigation is still short, and less than 500,000 acres are reported up to a stand. Insect infestation, including both pink bollworms and boll weevils, is reported on the increase and the heaviest in several years. A severe hail storm in the vicinity of Weslaco caused some damage late last week. Chopping has become general in south-central Texas. Indications are that insect infestation will be heavy in virtually all areas.

G R A I N S

Wheat prospects continue to improve in northeastern Texas as a result of good rains and warmer weather. Some fields that were damaged by the freeze in early April are beginning to grow again and may make a crop if weather conditions continue favorable. Some early fields have begun to ripen in the Low Rolling Plains.

Department of Agriculture officials indicate that the Nation's winter wheat crop will be substantially larger than a year ago and may reach a billion bushels.

Grain prices on the Fort Worth Grain and Cotton Exchange have fluctuated within a narrow range during the past week. Closing prices on Tuesday of this week were: No. 1 hard wheat, \$2.75 per bushel; No. 2 barley, \$1.61; No. 2 white oats, \$1.07-3/4; No. 2 yellow corn, \$2.12-1/2; and No. 2 yellow grain sorghums, \$3.20 per cwt.

The Texas rice crop is making fair to good progress, although cool nights have been delaying growth and wet fields have slowed progress of seeding in some sections.

Flax is maturing in south-central Texas counties, and the harvest is nearing completion in earlier areas. Yields have been somewhat higher than anticipated.

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

No significant changes occurred in livestock prices during the past week except in the hog division. Prices of Good to Choice butcher hogs reached \$19.00 per cwt. on the Fort Worth livestock market yesterday. This represents an increase of about \$1.00 per cwt. over last Tuesday.

The increase in the price of hogs has been anticipated, since they normally increase at this time of year, usually reaching a peak in July or August and declining again in late September or October as the spring pig crop moves to market.

On Tuesday of this week, Good to Choice fed steers and yearlings sold on the Fort Worth market at \$30.00 to \$34.00. Fat cows changed hands at \$21.00 to \$25.00, and Good and Choice fat calves brought \$30.00 to \$34.50.

Good and Choice stocker calves sold at \$32.00 to \$40.00, with two loads of 368-lb. steer calves at the latter price. The heifer end of this same lot brought \$38.00. Good and Choice stocker yearling steers brought \$30.00 to \$35.00.

Good and Choice slaughter spring lambs sold at \$27.00 to \$29.50. Stocker spring lambs brought \$20.00 to \$23.00, and stocker and feeder lambs and yearlings sold from \$14.00 to \$21.00 per cwt.

Reports over the week end from the Panhandle of Texas indicate a rather heavy movement of cattle in that area, but prices remained steady to strong.

### P O U L T R Y   A N D   E G G S

Broiler prices continue to decline and on Tuesday of this week were quoted at 18 cents per pound in east Texas and 18 to 19 cents in south Texas. Heavy birds were reported bringing only 17 cents. This represents a decline of from 8 to 10 cents a pound in the past 3 weeks. Most broiler producers are reported taking a substantial loss on birds going to market during the past 3 weeks. According to reports from the USDA at Austin, placements of chicks in Texas continue generally unchanged. For the week ended April 26, 1,464,000 birds were placed with growers, compared with 1,326,000 during the comparable week of 1951 and 750,000 in 1950.

In the Nation as a whole, total placements in commercial broiler-producing areas were somewhat lower for the eighth consecutive week. It was the second week that total placements this year were lower than the corresponding week of 1951.

The break in broiler prices has been reflected in lower prices for all poultry meat. On Tuesday of this week, prices at Fort Worth for top grade commercial fryers were 20 cents per pound - down 6 cents from a week ago. Light weight fowls were quoted at 14 to 16 cents - off 2 cents. Heavy hens brought 18 to 19 cents per pound - down 2 to 3 cents. Egg prices remained generally unchanged.

### C O M M E R C I A L   V E G E T A B L E S

The outlook for commercial vegetable production in Texas improved substantially following rains during the second half of April and warmer weather during the first few days of May. Hail storms in the Eagle Pass section and the Lower Rio Grande Valley caused heavy damage locally on the night of May 1. The tomato crop was a total loss in some areas near the center of the Valley.

Elsewhere, progress of virtually all commercial vegetable crops is generally satisfactory. Harvest of the south Texas onion crop is very active, while some cantaloupes and watermelons in the Valley are furnishing a light harvest. Transplanting of the late-spring tomato crop in northeastern Texas counties has been retarded, and cool nights during the last half of April slowed growth of early plantings.