

Federal Reserve Bank of Dallas

W H E A T

The U.S. winter wheat crop is now forecast at 986 million bushels, or 40 million bushels more than indicated a month ago, according to the U.S.D.A. This compares with 645 million bushels produced last year and a 1941-50 average of 800 million bushels.

In general, says the Department, weather conditions during April favored growth and development of the crop throughout most of the country. The most important factor contributing to the continued improvement in the crop has been the rather generous April rainfall over much of the important southwestern wheat-producing areas.

The Texas winter wheat crop is forecast at 38,071,000 bushels, or 10 percent over the April 1 forecast. This production forecast is more than double the extremely short crops of the past 2 years, but still lower than for any other year since 1941. Production last year was only 17,307,000 bushels.

Winter wheat production in Oklahoma is forecast at 78.5 million bushels, vs. 38.9 million last year and a 1941-50 average of 71.7 million bushels. New Mexico expects to harvest about 1.1 million bushels, compared with 786,000 in 1951.

The announcement of an upward revision in the winter wheat crop last week caused some weakening in wheat prices. No. 1 hard wheat sold Tuesday, May 13, on the Fort Worth market at a top price of \$2.67 per bushel, compared with \$2.75 a week earlier.

C O T T O N

Spot cotton prices are fluctuating within a rather wide range. On Tuesday, May 13, Middling 15/16-inch cotton on the Dallas market closed at 38.30 cents per pound, compared with 37.90 a week earlier and a peak of 41.95 last month.

Revised estimates of cotton production in the Nation last year show Texas production at 4,061,000 bales - 38 percent above the 1950 crop. Production in Louisiana was estimated at 760,000 bales, up 78 percent from 1950; Oklahoma, 462,000 bales, up 91 percent; New Mexico, 272,000 bales, up 45 percent; and Arizona, 803,000 bales, up 70 percent.

Cotton planting is very active in central, eastern, and southeastern counties of Texas and is gaining momentum in the High and Low Rolling Plains. Chopping is under way in the Coastal Bend, while the crop in the Lower Valley is blooming.

L I V E S T O C K

Hog prices are rising seasonally, and are higher in Fort Worth this week than at any time since last October. Tuesday's top price was \$20.75 per cwt., compared with \$19.00 a week earlier and \$17.25 a month ago. This rise may be attributed also to the expectation of a curtailment in pork production in the next few months.

Prices of cattle and calves on the Fort Worth market are holding near the levels of the past several weeks. Good to Choice slaughter steers generally are bringing a top price of \$34.00, with occasional lots up to \$35.00.

Spring lambs are selling this week up to \$30.00, the highest since the post-Eastern decline which carried top prices to \$27.50 per cwt.

The U.S. Department of Agriculture says that prospects for the next 2 or 3 months are for seasonally rising prices for all meat animals except the higher grades of cattle, which may decline at the time of peak marketing this spring. Prices of

cattle and lambs seem likely to remain below last year, but prices of hogs may rise to or above the same months of 1951.

Commercial meat production in Texas in March totaled almost 70 million pounds, according to BAE estimates. Production in the first quarter of 1952 was up 15 percent from a year earlier.

POULTRY AND EGGS

The broiler market in Texas has recovered most of its loss which occurred in late April and early May. Grade A birds in East Texas are bringing as high as 28 cents per pound this week - 10 cents over the low reached this month. Quotations in South Texas range from 25 cents to 27 cents per pound.

Prices of other classes of poultry, which reacted downward when the broiler market crashed, have not recovered as have broilers. Heavy hens on the Fort Worth market this week were quoted at 16 to 19 cents per pounds, compared with 20 to 24 cents last month.

Egg prices are holding steady.

Egg production in Texas during April totaled 315 million eggs; or the same as during the same month last year.

FARM INCOME

U.S. farmers' net income in 1952 is expected to be about the same as or somewhat smaller than in 1951, says the Department of Agriculture. Gross farm income, which was 14 percent higher in 1951 than the year before, seems to be leveling off with lower average prices largely offsetting increased output.

Cash receipts from farm marketings, the principal element of farmers' gross income, may be slightly higher than in 1951; with average growing conditions, volume production may be a new record.

In the first two months of 1952, cash receipts from farm marketings in Texas totaled \$261 million, compared with \$240 million in the same months of last year. In other states of the Eleventh Federal Reserve District: Oklahoma, \$79 million, up \$8 million from January-February 1951; Louisiana, \$48 million, up \$2 million; Arizona, \$88 million, up \$37 million; and New Mexico, \$32 million, up \$9 million.

MISCELLANEOUS

The Texas peach crop is estimated at only 495,000 bushels, compared with 696,000 bushels last year and a 10-year average of 1,327,000 bushels. Weather last winter was unfavorable for peach production.

The BAE index of farm prices in Texas rose in April for the first time since November. The index was 354, compared with 345 in March and a record 399 a year ago. It appears, however, that most of this gain resulted from a rise in cotton prices, and this gain has since been more than lost, judging by spot quotations on the Dallas Cotton Exchange.

Total milk equivalent of dairy products manufactured in Texas in March was 5 percent below March 1950; production in the first quarter was also down 5 percent below last year and 40 percent below the average of comparable periods in 1935-39.

Milk production on Texas farms in April is estimated at 296 million pounds - the same as a year ago.