

## Federal Reserve Bank of Dallas

## F A R M P R I C E S

The index of prices received by U.S. farmers for all farm commodities at mid-May was 293 (1910-14 = 100), compared with 290 a month earlier and a record high of 313 in February 1951, according to the USDA. Practically all the increase in the index from April to May was due to a sharp rise in hog prices, which in turn was largely the result of the Government's buying of pork products for the expressed purpose of stimulating hog prices.

Other commodities showing price increases from April to May were calves, wool, corn, soybeans, most fruits, potatoes, and cabbage. Lower prices were reported for dairy products, poultry and eggs, cotton, hay, wheat, oats, barley, sheep, lambs, tomatoes, and onions.

The index of prices paid by farmers at mid-May stood at a record high of 289 - unchanged from April. Farm living costs held steady during the month, whereas lower feed prices partially offset higher seed, farm supply, and machinery prices.

## C O T T O N

Spot cotton prices have been moving up irregularly since mid-May. On Tuesday, June 3, Middling 15/16-inch cotton closed on the Dallas market at 39.35 cents per pound, compared with 38.45 a week earlier and 37.80 on May 14.

The rise in cotton prices is probably due to many influences, but one contributing factor is the delay in planting of the new crop in some areas, because of either too much or too little rain. Heavy rains in the Low Rolling Plains and Cross Timbers areas of Texas last week interrupted planting and made it necessary to replant a large acreage. Moreover, insects are attacking the crop in many sections.

## G R A I N S

Cash wheat prices have been declining almost steadily since they hit the skids almost a month ago. On Tuesday of this week, No. 1 hard wheat closed in Fort Worth at a top price of \$2.53-3/4 per bushel, compared with \$2.61-1/2 a week ago and a peak of \$2.75 in early May.

The weakness in wheat prices reflects the generally good prospects for a large wheat crop this year; the weather in the past few days has favored harvesting operations, and the quality of the grain is reported good.

Another factor in the wheat price situation is the failure of the recent meeting in Washington at which representatives of the wheat importing and exporting nations were going to attempt to renew the International Wheat Agreement, under which the U.S. for the past several years has been guaranteed a market for a sizable lot of wheat. However, the U.S. and Canada want a higher price for the grain under any new agreement. Under the IWA soon to expire, the U.S. has been selling wheat far below the market level, and the balance has been paid by the U.S. Government as a wheat export subsidy.

Sorghum grain prices are still rising, in contrast to the decline in wheat prices. The growing importance of this commodity for industrial uses is undoubtedly a factor in the present price situation, although the demand for this grain for live-stock and poultry feed has been heavy. Sorghum grain closed Tuesday on the Fort Worth market at \$3.35 per cwt., compared with \$3.18 a month ago.

Prices of other grains are showing relatively little change, except for day-to-day fluctuations.

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

The hog market in Fort Worth was weaker last week, following termination of the Government's pork buying program, but prices reacted upward again this week, reaching a top price of \$21.75 on Tuesday of this week. This is as high as they have been since last August, except for one day last month when \$22.00 was paid.

Cattle prices in Fort Worth are holding generally steady, according to daily market reports issued by the PMA. There has been some noticeable weakness in prices of fat cattle, although this was minor.

Prices of spring lambs rose this week; Good and Choice slaughter spring lambs drew \$28.00 to \$29.00; with two lots reaching \$30.00 per cwt. Utility and Good shorn lambs and yearlings brought \$22.00 to \$24.00. Common to Good feeder spring lambs sold as high as \$23.00.

A dull trade developed in the goat division of the San Antonio market last week, with prices down about \$1.00 per cwt.

Commercial livestock slaughter in Texas is running far ahead of last year. In the first 4 months of 1952, the total live weight of cattle slaughtered was 256.6 million pounds, vs. 223.6 million a year ago. Calf slaughter covered 78.5 million pounds, vs. 73.1 million in the January-April period last year. Hog slaughter accounted for 200 million pounds, vs. 169 million a year ago. Slaughter of sheep and lambs rose to 9 million pounds, live weight basis, vs. 7 million in the first 4 months of 1951.

### W O O L   A N D   M O H A I R

The PMA reports that a couple of cars of original bag, average 12-months wool were sold in Texas last week at around \$1.60 per pound, clean basis. A fair weight of 12-months wool was sold at clean prices estimated from \$1.65 to \$1.70, landed Boston, while 8-months wools were bought at estimated clean prices from \$1.50 to \$1.60, delivered.

The last reported accumulation of about 50,000 pounds of mohair was sold in Texas last week at \$1.05 for adult and \$1.30 for kid mohair.

### P O U L T R Y   A N D   E G G S

Broilers sold in East Texas this week at 25 to 26 cents per pound for birds under 3 pounds; heavier weights and roughs were discounted. In South Texas, all weights up to 3.25 pounds brought 26 cents.

Top grade commercial fryers are bringing 25 to 27 cents per pound on the Fort Worth wholesale market this week - 1 cent below a week ago. Heavy hens are quoted at 15 to 18 cents - unchanged.

The few turkeys available are bringing 25 to 28 cents per pound.

Egg markets are holding steady.

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

Cottonseed oil prices are moving up again. The commodity was quoted in Fort Worth this week as high as 12-1/8 cents per pound, which compares with 10-1/2 a month ago and a low of 9-5/8 in late April.

The BAE reports that a fairly good pecan crop is in prospect in Texas, with little insect damage to date.

The flaxseed market has weakened since early May; the closing Minneapolis quotation on Tuesday of this week was \$3.91 per cwt., compared with \$3.99 about a month ago and a peak of \$4.61 in early January.