

Federal Reserve Bank of Dallas

F A R M R E A L E S T A T E V A L U E S

Farm real estate values in the United States rose an average of 2 percent during the 4 months ended March 1, according to data released last week by the USDA. The United States Index of farm real estate values in March stood at 211 (1912-14 = 100), compared with 193 a year earlier.

From March 1951 to March 1952, farm land values in Texas rose an average of 14 percent; Arizona 11; Oklahoma and Louisiana 8; and New Mexico 7. As compared with pre-war, land values in Arizona are up 137 percent; New Mexico 182; Oklahoma 185; Louisiana 136; and Texas 159.

Demand for farms is weaker than a year ago, says the USDA, because of rising farm production costs and lower prices for many farm products; also, the large amount of capital required to buy and equip a farm makes it difficult for tenants and young men to start farming.

The farm mortgage situation has tightened during the past year and interest rates have risen. More buyers require credit to finance their purchases and lenders require larger down payments.

The total dollar value of farm land and buildings in the United States is estimated at \$94.6 billion dollars as of March 1, 1952. The "average farm" is now worth between \$17,000 and \$18,000.

C O T T O N

Spot cotton prices have made further slight gains in the past week. On Tuesday, June 17, Middling 15/16-inch cotton closed at 40.30 cents per pound on the Dallas market, compared with 40.15 cents a week earlier and 39.35 two weeks ago.

Cotton futures have risen significantly above a month ago. October 1952 futures closed Tuesday in the New Orleans market at 37.33 cents per pound, compared with a low of 35.95 in May.

Weather conditions in the Southwest during the past week generally have been favorable for cotton, although some south High Plains counties remain dry. Cotton planting and replanting was active in the High and Low Rolling Plains. Light to heavy insect and worm infestation has been reported from central, east, and south Texas; there is a heavy infestation of pink boll worms in parts of the Rio Grande Valley.

G R A I N S

Further weakness is noted in the wheat market. On Tuesday, June 17, No. 1 hard wheat sold on the Fort Worth market at a top price of \$2.47-1/2 per bushel, compared with \$2.51 a week earlier and \$2.75 early in May.

Oat prices have regained most of the losses of the first week in June. No. 2 white oats brought a top price of \$1.05-1/2 per bushel Tuesday, compared with the low of \$1.03 on June 7.

Sorghum grain prices are holding steady as compared with a week ago, although the current top price of \$3.29 per cwt. in Fort Worth is 6 cents under the late May peak.

Corn and barley prices are showing little net change from week to week.

L I V E S T O C K

Prices of most kinds of livestock declined on the Fort Worth market last week, due to the ample supplies of meat in trade channels, competition from imported

meat, and a sluggish demand for replacement cattle, calves and sheep. Sheep and lambs suffered the heaviest losses, with prices falling \$1.50 to as much as \$5.00 to \$6.00 cwt, during the week.

Beef steers and yearlings declined 50 cents to \$1.00. Good, Choice and Fancy kinds of fat calves and light yearlings and stocker calves brought strong prices, but other kinds were off. Plain stockers sold at the lowest point in years.

Hogs declined 25 cents to 50 cents in Fort Worth last week and are quoted this week at a top price of \$20.75 per cwt.

The January-May shipment of cattle this year into the Blue Stem - Osage pastures of Kansas and Oklahoma totaled an estimated 332,000 head, compared with 361,000 in 1951 and 335,000 in 1950, according to BAE.

P O U L T R Y A N D E G G S

Egg production in Texas during May totaled 317 million, according to BAE estimates. This compares with 316 million in April and 301 million during May 1951. Production for the first five months of 1952 was 9 percent above that of the same months last year.

The egg market in central Texas was firm to mostly 2 cents higher on United States graded eggs last week. Prices ranged from 32 to 43 cents per dozen at receiving stations.

Broiler markets in Texas are steady to firm this week. In Gonzales broilers or fryers, all weights up to 3.25 pounds, are bringing 28 cents this week. In Nacogdoches and Center birds under 3 pounds are quoted at 27 to 28-1/2 cents. In Waco and Corsicana, all weights 3.31 pounds down are quoted at 27 to 28 cents.

M E X I C A N L A B O R A G R E E M E N T

A new Migrant Worker Agreement has been signed by the United States and Mexico. Under the new Agreement, worker's contracts can be extended for as little as 2 weeks instead of the former 6 weeks minimum.

Ranchers may obtain migrant laborers for work with cattle and sheep for up to 12 months. Previously Braceros could be used only on vegetable crops.

A minimum wage of 50 cents an hour will be paid migrant workers, or more if the going wage in the area is higher.

The present recruiting station at Aguascalientes is to be moved to Durango which is 250 miles closer to the border.

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

Blackberries were quoted in Lindale, Texas and vicinity this week at 12 cents per pound to growers. Demand is good.

Potato prices are declining. Farmers around Pittsburgh, Texas in the Northeastern part of the State are receiving 4 cents per pound this week vs. 5 cents last week.

Farm employment is rising seasonally but is below a year ago. During the last week in May, farm employment in the south central states - Oklahoma, Texas, Arkansas and Louisiana - totaled 1,583,000 compared with 1,630,000 a year ago. The decline was due to a reduction in number of family workers; the number of hired workers was up slightly.

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