



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 189

Wednesday, August 12, 1953

## COTTON

The U. S. Department of Agriculture announced this week its first official forecast of the 1953 cotton crop, placing this figure at 14,605,000 bales, which compares with 15,136,000 bales last year and a yearly average of 12,215,000 during the 10 years from 1942 to 1951.

Production this year will be supplemented by a carry-over of about 5,200,000 bales from previous crops, which gives the U. S. a total supply of almost 20,000,000 bales of cotton for next year.

The USDA forecast the 1953 Texas cotton crop at 3,525,000, which compares with last year's crop of 3,750,000 bales and a 1942-51 average of 3,020,000 bales. Yield per acre in Texas is indicated at 182 pounds, or 1 pound below average.

Forecast of cotton production for other southwestern states, in bales: Louisiana, 685,000; Oklahoma, 360,000; New Mexico, 296,000; and Arizona, 951,000. These figures reflect increases for Oklahoma and Arizona but declines for Louisiana and New Mexico, as compared with production in 1952.

Production of American-Egyptian cotton in Texas this year is forecast at 24,000 bales, while New Mexico and Arizona are expected to harvest 11,000 bales and 31,000 bales, respectively.

Ginnings of upland cotton in Texas prior to August 1 amounted to 349,063 bales, compared to 176,356 bales in the same period last year, according to the Bureau of the Census. Texas cotton ginned prior to August 1 averaged higher in grade and shorter in staple length than that ginned in the same period last season.

Announcement of the government forecast of cotton production this year caused only mild reaction in the spot cotton market, despite the fact that the estimate was higher than expected by the trade. However, cotton futures reacted downward; cotton futures at New York on Monday, August 10, closed 25 cents to \$1.05 per bale lower than on last Friday. Even greater declines might have been expected were it not that futures quotations are already near the government support level.

## GRAINS

Wheat growers vote Friday, August 14, on whether or not they will accept wheat marketing quotas for the coming season. There is great uncertainty as to which way farmers are going to vote; no one seems to have ventured a guess as to the outcome of the referendum.

This uncertainty has caused the wheat market to become very unsettled. Because of this and other factors, wheat futures dropped sharply this week, falling as much as 10 cents a bushel at Chicago on Monday. Cash wheat also declined; No. 1 hard wheat at Kansas City dropped 6 cents per bushel. In Fort Worth, No. 1 hard wheat closed Monday at a top price of \$2.40 1/4 per bushel, 8 cents below last week's close and 13 cents below the high for the week.

Weakness in the wheat market yesterday touched off selling in other grains. In Fort Worth, oats and yellow corn declined 1 to 2 cents per bushel.

## LIVESTOCK

Hog prices continued to decline on the Fort Worth market last week; for this and the previous week losses added up to \$5.00 to \$5.75 per cwt. in this short

time. However, the hog market improved somewhat on Monday of this week. Barrows and gilts sold \$1.00 higher, or at a top price of \$23.25.

Good and Choice beef steers and yearlings sold in Fort Worth last week at \$22.50 to \$23.00, while Monday's top price was only \$22.50. Good and Choice fat calves closed last week at \$15.00 to \$18.50, although the top price Monday was \$17.50. Medium and Good grade stockers sold Monday at \$13.50 to \$18.00.

Good and Choice slaughter spring lambs sold last week at prices between \$19.00 and \$22.50, although Monday's top price was only \$20.00 in a weak market.

Although meat consumption continues at exceptionally high levels, it is reported that demand for meat at wholesale levels is still somewhat "indifferent" because of heavy marketings of livestock. Consumer demand for meat appears to have been affected by the hot weather and by the increase in beef and pork prices in July.

#### W O O L

The quantity of wool shorn and to be shorn this year is estimated by the BAE at 229,292,000 pounds, which is 1 percent below last year's clip and 19 percent less than the average of the previous 10 years.

The decline this year resulted from a 2-percent decrease in number of sheep shorn, which is partly offset by a slightly higher average weight per fleece. The estimate of weight per fleece this year is a record 8.27 pounds.

Wool production in Texas in 1953 is placed at 41,101,000 pounds, the smallest clip since 1928 and compares with a peak of 80,713,000 pounds in 1943.

Wool production estimates for other southwestern states, in pounds: Louisiana, 364,000; Oklahoma, 834,000; New Mexico, 11,790,000; and Arizona, 2,667,000. Estimates for Louisiana, New Mexico, and Arizona are up slightly from last year.

Good French Combing and staple 12-month Texas wool sold last week at \$1.75, clean basis. This is about 12 cents above the government loan level.

#### P O U L T R Y

Broiler markets in Texas are holding steady, with 2 1/2- to 3-pound birds selling generally at 28 cents to 29 cents per pound.

Broiler chick placements on Texas farms during the week ended August 5 totaled 1,100,000 chicks - 22 percent above the same week last year.

W. M. Pritchett  
Agricultural Economist