



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 190

Wednesday, August 19, 1953

## GRAINS

The Texas corn crop is now forecast at 29.8 million bushels, the smallest since 1879. Production last year totaled 41.3 million bushels, and this was 13 million bushels below average. The BAE office in Austin reports that a larger-than-usual percentage of the 1953 acreage is being cut for silage and forage or is being grazed, as growers are salvaging as much feed as possible.

The BAE reports that although much additional sorghum acreage was planted in northwest Texas during July, inadequate rainfall in many localities prevented growers from planting all their intended acreage. Final utilization and yield of this late acreage depends upon August and September rainfall and the date of the first killing frost. The first estimate of grain sorghum production in Texas this year is placed at about 56 million bushels, which is 8 million above last year's crop, but 24 million bushels below average.

Texas has a new record-large rice crop this year, resulting from increased acreage and good yields. Production is forecast at 14.5 million bags, compared with last year's crop of 13.7 million bags.

The USDA announced last week that the national average support rate for rice this year will be \$4.84 per cwt. for rough rice. This is the same as the minimum support rate announced on February 27 and is 3 cents higher than 90 percent of the rice parity price as of August 1. Rice will be supported through loans and purchase agreements as in past programs.

Rice markets have weakened since harvest of the new crop began. Milled rice prices declined 50 cents to \$1.00 per cwt. in Texas and Louisiana last week. Market quotations for rough rice in Texas on Friday ranged from \$4.95 to \$5.64 per cwt.

The USDA reported last week that farmers had put 45.8 million bushels of 1953-crop wheat under price support through July 15. A comparable figure for previous years is not available. Through August 15 last year, however, the quantity of 1952-crop wheat put under support was 169 million bushels.

Farmer approval of wheat marketing quotas for the 1954 crop, expressed in the referendum last Friday, caused wheat prices to rise temporarily on Monday of this week. Before the day was over, however, prices started downward again, ending the day with net losses.

## WOOL

A strengthening of world demand, movement of a substantial part of the domestic clip into the loan program, and additions to the stockpile in the United Kingdom have resulted in a gradual rise in wool prices in world markets since early 1952, according to a BAE report. During the final month of sales in Australia, prices ranged between 35 percent and 40 percent above the lows of March 1952. Boston quotations for domestic wools have been relatively stable in recent months and well above a year earlier. Prices received by domestic growers for shorn wool this season have been averaging slightly above the national average loan rate of 53.1 cents per pound under the 1953 program.

The Boston wool market was quiet last week as buyers were waiting for the Australian sales being held late this month, according to a PMA report. There was



the prevailing feeling that by September, or a bit later, there will be a gradual increase in buying activity in all lines extending into the first quarter.

Three cars of fall Texas wool were reported sold last week at 60 cents to 61 cents. It is said that Texas staple wools are being held for higher prices than those now prevailing.

#### POULTRY

Broiler markets in Texas last week are described in reports as being generally steady, although prices in most markets declined 1 cent. Broilers or fryers weighing 2 1/2 to 3 pounds sold mostly at 28 cents, which compares with 31 cents to 32 cents a year ago.

The supply of eggs for the rest of 1953 is expected to be about the same per person as in the last half of 1952, reports the USDA. Prices to producers will be near year-ago levels.

Egg production in Texas during July totaled 208 million, compared with 224 million a year earlier. Production in the first 7 months of 1953 totaled 1,756 million, or 220 million less than in the same period last year. Production in Louisiana in the first 7 months was 252 million, down 16 million; while output in Oklahoma totaled 674 million, off 103 million from the same period last year.

#### MISCELLANEOUS

Spot cotton prices have eased downward since the U. S. Department of Agriculture announced on August 10 its first forecast of this year's cotton crop. The forecast of 14,605,000 bales was somewhat above most private estimates. On Monday, August 17, Middling 15/16-inch cotton in the 10 leading spot markets averaged 32.81 cents per pound, which compares with the 1953 CCC loan rate for this grade of cotton in the 10 markets at 32.99 cents. In fact, prices in most markets are below loan levels.

Consumption of most dairy products has changed little from last year, even though consumer incomes are running significantly above a year earlier, and retail prices for dairy products are slightly lower.

There were 960,000 milk cows on farms in Texas on June 1 of this year, the same as on the same date in 1952. However, this is far below the peak of 1,394,000, reported on Texas farms on this date in 1944. Most other parts of the country are showing increases in the number of milk cows on farms.

Early season reports indicate that Texas will produce about 32.8 million pounds of pecans this year, which is considerably above average but is below last year's crop of 47.2 million pounds. Louisiana and Oklahoma are expected to harvest 19.2 million pounds and 23.4 million pounds, respectively, each considerably above average.

Peach production in Texas is now placed at 1.1 million bushels, or about three times last year's very short crop but about average. Good quality Elbertas and J. H. Hales medium size sold on the Farmers' Market in Dallas last week generally at \$2.50 to \$3.50 per bushel, a few higher. Smaller sizes brought \$1.75 to \$2.25.

Pear production in Texas this year is indicated at 304,000 bushels, which is near average and is three times last year's crop. Bartlett pears sold on the Farmers' Market in Dallas last week at \$1.50 to \$2.00 per bushel.

Broomcorn production in Texas was reduced by hot, dry weather this year, and the crop is estimated at only 4,900 tons versus 8,800 tons last year. An Oklahoma crop of 12,900 tons is in prospect, showing a gain of 1,100 tons over a year ago.

W. M. Pritchett  
Agricultural Economist