



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 201

Wednesday, November 4, 1953

## C O T T O N

There were 458,900 bales of cotton placed under CCC loan in the week ended October 23 - the largest volume in any week on record. Total loan entries through this date this season were 1,839,600 bales, also a record high for the period.

Cottonseed prices in wagonload lots at the gins in Texas last week averaged \$53.50 per ton, according to PMA. In Oklahoma the average gin-yard price was \$51.30.

Spot cotton prices continue to fluctuate slightly below loan levels. Merchants have been buying mainly for current needs.

## G R A I N S

The Secretary of Agriculture has announced that there will be no marketing quotas for the 1954 crop of corn. However, acreage allotments probably will be proclaimed later for the commercial corn-producing area. Acreage allotments were last used in 1950.

Stocks of wheat in all positions in Texas on October 1 were at a record high level, according to a report released last week by the BAE office in Austin. The report shows 106 million bushels on hand on that date, or 20 million bushels more than a year earlier. These stocks were about five times the 1953 Texas wheat crop, which indicates that most of this wheat was brought into Texas for storage. Wheat stored on Texas farms on October 1 was estimated at about 3 1/4 million bushels.

The trends in prices of grains on the Fort Worth Grain and Cotton Exchange during October were mixed. On Monday, November 2, No. 1 hard wheat brought a top price of \$2.64 per bushel, carload basis, or about 10 cents more than a month earlier. No. 2 white oats brought a top price of \$1.01 per bushel, up 5 cents from a month ago. On the other hand, No. 2 yellow corn sold at \$1.74 1/4, off about 15 cents, while No. 2 white corn brought \$1.95 3/4, top price, down about 30 cents for the month. No. 2 yellow milo sold at \$2.81 per cwt., off 14 cents from a month earlier.

## L I V E S T O C K

Recent rains reported over much of the Southwest caused a decline in cattle marketing at Fort Worth last week. Cattle and calf prices rose, partly as a result of reduced marketings and also because of a pickup in stocker demand. At week's end, cattle and calves were \$1 to \$2 higher than a week earlier. Prices of slaughter lambs and old sheep also advanced, while hog prices suffered further seasonal losses.

On Monday, November 2, Choice fed steers and yearlings brought \$20 to \$23 in Fort Worth; Good sold mostly from \$17 to \$19; and Commercial, \$13 to \$15. Medium and Good stocker and feeder steers and yearlings sold at \$11 to \$15, a few Good and Choice yearlings up to \$16.

Good and Choice slaughter calves brought \$13 to \$16, Utility and Commercial \$9 to \$12. Choice stocker steer calves drew \$17 to \$18.

Choice 190-250-pound hogs brought \$20.75 to \$21 in Fort Worth Monday. Good and Choice slaughter lambs sold from \$18 to \$19. Medium and Good feeder lambs moved from \$14 to \$16.25.

#### F A R M I N C O M E

Cash receipts from farm marketings in Texas in the first 8 months of 1953 totaled \$957 million, or about 18 percent less than the \$1,169 million received in the same months of 1952, according to the USDA. Receipts from the sale of livestock and livestock products totaled \$581 million, down \$100 million from last year. Receipts from the sale of crops totaled \$376 million, down \$112 million.

Cash receipts from farm marketings in the other southwestern states in the first 8 months of 1953 and changes from a year earlier: Arizona \$241 million, up \$8 million; Louisiana \$142 million, down \$25 million; New Mexico \$95 million, up \$1/2 million; and Oklahoma \$360 million, down \$57 million.

The USDA says that present prospects are for some further decline in cash receipts from farm marketings in 1954. With acreage restrictions likely on some of the principal crops, the total volume of marketings probably will be down a little from 1953, and no offsetting increase is expected in the average of prices received by farmers. Realized gross farm income may be moderately lower next year; however, some further decline in total production expenses is also expected in 1954. Farmers' realized net income next year probably will remain somewhere near its present level but may be down a little.

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

The PMA reports that Good French Combing 12-months wool was purchased in Texas last week at 72 and 72 1/2 cents per pound, in the grease, to the warehouse.

Warehouse sales of mohair were made in Texas at 77 to 78 1/2 cents per pound for adult and \$1.02 to \$1.03 1/2 for kid mohair.

The USDA says that the average of prices received by domestic producers for the 1954 wool clip probably will not be greatly different from prices received this year.

Broiler markets in Texas last week closed at 27 to 28 cents per pound, mostly 28. Reports on turkey prices at Texas farms last week show well-finished, broad-breasted young toms selling at 28 to 30 cents per pound, young hens 35 to 36 cents.

The index of prices received by U.S. farmers on October 15 was down 2 percent from a month earlier. The index was 250 (1910-14 = 100), which compares with 256 in September and 282 in October a year ago. Further declines in the prices of commodities used for farm production lowered the Parity Index to 276, which is 3 percent less than a year ago. With farm product prices declining faster than prices paid by farmers for commodities and services, the Parity Ratio declined to 91 at mid-October, which is the lowest ratio recorded since May 1941.

Total assets of American agriculture, including all physical assets and the financial assets owned by farm operators, are expected to be valued at \$156 billion on January 1, 1954, about 5 percent less than a year earlier but 46 percent more than the value of these assets at the beginning of 1946, the first post-war year, according to the USDA. The total value of physical farm assets is expected to decline during 1953. Farm real estate, which accounts for more than half of all assets in the balance sheet, is expected to decline nearly 7 percent.

W. M. Pritchett  
Agricultural Economist