



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 209

Wednesday, December 30, 1953

1953 WAS A GOOD YEAR

Enough of the final figures are now available to show that despite the drought, price declines, and other adversities, the Nation's farmers had a fairly good year in 1953, even if it was not as good as 1952.

CROP ACREAGE:

U. S. farmers planted over 359 million acres of the 59 principal crops for harvest in 1953. This was 3.1 million more than in 1952 and slightly above average. However, acreage abandonment was very heavy, and only 340½ million acres were harvested, which is 1.4 million less than in 1952. Declines in acres harvested occurred in winter wheat (4 million), cotton (1.4 million), corn (0.8 million), hay (½ million), and others.

Farmers in states of this District - Arizona, Louisiana, New Mexico, Oklahoma, and Texas - shared heavily in crop acreage abandonment in 1953. For example, Texas farmers planted 5,438,000 acres to wheat, but harvested grain from only 2,710,000 acres. Texas farmers also harvested no grain from 50,000 acres of corn, 350,000 acres of oats, 37,000 acres of barley, and 71,000 acres of rye. Some of this acreage was seeded for grazing exclusively, of course, and no grain crop was expected. The five District states harvested crops from 40.2 million acres in 1953, compared with 41.6 million in 1952 and an annual average of 45.4 million from 1942-51.

VOLUME PRODUCTION:

Volume agricultural production in the U. S. in 1953 has been exceeded in only one year of record - that was 1952. The volume of crops harvested about equals that of 1952, which was the second largest ever produced. Although the acreage from which crops were harvested was smaller than average, yields per acre, in the aggregate, were record high.

In states of this District, the physical volume of crops produced in 1953 was the largest since 1949 and has been exceeded in only 3 years of record - 1926, 1931, and 1949. Record-large crops of rice, hay, and sugar cane were produced. The five-state cotton crop was the largest since 1931.

Arizona produced 998,000 bales of cotton in 1953 to become the Nation's fifth largest cotton producer, with output exceeding that of such Old Belt States as the Carolinas, Georgia, Tennessee, Louisiana, and Alabama. New Mexico cotton production equaled the record 330,000 bales harvested in 1952, while the Texas crop of 4,350,000 bales was the largest since the 6,040,000-bale crop of 1949.

Other crops in the five states of this District to show an increase in 1953 over 1952 are oats, barley, sorghum grain, sorghum silage, sorghum forage, cottonseed, peanuts, sweet potatoes, dry edible beans, oranges, grapefruit, peaches, pears, grapes, pecans, sugar cane syrup, sorgo syrup, and cow peas.

FARM COMMODITY PRICES:

The drought in the District in 1953 was perhaps the most spectacular event of the year. Yet, the continued decline in farm commodity prices caused far greater losses to the region's farmers, as a group, than did the drought. Farmers were able to make adjustments and adaptations which enabled them to offset much of the effects of the drought. However, the decline in farm commodity prices was a factor to which farmers could not adjust. The index of farm commodity prices in Texas in November was 259 (1910-14 = 100), down 14 percent from a year earlier.

Percentage-wise, the sharpest declines in farm commodity prices in Texas during the past year have been in prices of Irish potatoes, sweet potatoes, beef cattle, calves, cottonseed, hay, grain sorghum, and citrus fruits, each of which in November was at least 20 percent below a year earlier. Prices of corn, oats, barley, rice, and chickens experienced losses ranging from 10 to 20 percent. On the other hand, prices of hogs, sheep, turkeys, and wool averaged higher than in November 1952.

The index of prices paid by U. S. farmers, including prices paid for living and production expenses, also declined during the past year. The November 1953 figure was 277, compared with 282 a year earlier.

FARM INCOME:

Farmers' cash income in 1953 declined under the impact of lower prices. U. S. farmers in the first 11 months of the year suffered a loss of 4 percent; 5 percent larger marketings partly offset price declines.

Farmers in the five states of this District have had relatively greater losses in farm income than have U. S. farmers, partly because price declines have been sharpest for commodities so important to this area, such as cotton and cattle.

In the first 11 months of 1953, farmers in Arizona, Louisiana, New Mexico, Oklahoma, and Texas received \$2,645,810,000 from the sale of farm commodities, which is 14 percent less than in the same months of 1952. There were declines of 16 percent in Louisiana, 15 percent in Oklahoma, 17 percent in Texas, and 4 percent in New Mexico. Arizona reports an increase of 8 percent.

FARM LAND VALUES:

Declines in farm income in 1953 led to a drop in the value of farm land. The full extent of the drop during the year is not yet known. However, in July the dollar value of farm land in the U. S. was 4 percent below a year earlier. In Texas the drop was 10 percent. New Mexico reported a decline of 9 percent, while Arizona and Oklahoma reported declines of 3 percent and 5 percent, respectively. Farm land values in Louisiana were up 1 percent.

BALANCE SHEET:

Total assets of U. S. agriculture, including all physical assets and the financial assets owned by farm operators, are estimated to be valued at \$156 billion, as of 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 postwar year, according to the USDA. Most of the decline in assets during 1953, however, was in the value of real estate.

Farmers' debts rose 5.1 percent in 1953, with CCC loans accounting for the greater part of the rise. However, real estate debt rose an estimated 9.3 percent. Non-real-estate loans other than CCC loans have been declining as a result of lower livestock prices, fewer purchases of farm machinery, a more cautious attitude on the part of both borrowers and lenders, and some conversion to real estate mortgages.

Because of rising debts and declining values of farm assets, the equities of farmers and others in American agriculture shrunk an estimated \$9 billion, or 6.2 percent, during 1953, which is nearly double the decrease that occurred in 1952.

BANK LOANS TO FARMERS:

On September 30, 1953, member banks in the Eleventh Federal Reserve District held farm loans guaranteed by CCC totaling \$35,443,000, or 65 percent more than a year earlier, reflecting the increased participation of farmers in the price support program. The banks held other non-real-estate farm loans in the amount of \$274,672,000, or 9 percent less than a year earlier. Farm real estate loans held by member banks on September 30, 1953, totaled \$29,065,000, or about 2 percent more than in September 1952.

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W. M. Pritchett
Agricultural Economist