AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 211 Wednesday, January 13, 1954

LIVESTOCK

Choice fed steers and yearlings sold in Fort Worth on Monday of this week at $21 to $22, one load $22.50, according to the USDA. Utility cows cleared from $10.00 to $12.00, a few commercial $12.50 to $13.50. A few loads of Good feeder steers brought $16.50 to $17.50, Choice to $18.50.

Good and Choice slaughter calves sold mainly from $16.00 to $19.00, a few higher, Utility and Commercial $12.00 to $15.50.

Choice butcher hogs moved at prices ranging up to $26.00, Medium to Choice butchers brought $23.00 to $25.25.

Good and Choice milk-fed lambs sold at $19.00. Good and Choice wooled lambs turned from $18.50 to $19.00. Good and Choice shorn slaughter lambs moved at $17.50 to $18.50. Medium and Good feeder lambs sold from $15.00 to $18.00.

U.S. Department of Agriculture beef purchases last year, totaling about 250 million pounds, diverted an estimated 865,000 head of lower-grade cattle from normal trade channels. About 90 percent of the beef purchased was slated for use in school-lunch operations and by other institutional outlets.

Commercial meat production in Texas in November totaled over 112 million pounds, or 29 percent more than a year earlier, according to AMS. In the U.S., the year-to-year gain was 14 percent.

In the first 11 months of 1953, there were 1,533,000 head of cattle slaughtered in commercial plants in Texas, versus 1,066,000 in the same months of 1952. The comparable figures for calves, in that order, were 1,191,000 and 775,000; hogs, 1,339,000 and 1,825,000; and sheep and lambs, 772,000 and 627,000 head. Practically the same trends were evident in other southwestern states.

The USDA gives range feed conditions in Texas on January 1, 1954, a rating of 67, which is in the range of poor but which is above the 63 a year earlier. A rating of 75 is about average for this date. The January 1 ratings for Arizona and New Mexico were 65 and 66, respectively, each of which was much below average.

Sales of feed from CCC stocks, under the emergency feed program set up last July, continued in volume through December. Through December 11, orders for nearly 600,000 tons of cottonseed meal, pellets, and slab had been approved by County USDA Drought Committees, of which over 400,000 tons had been shipped. Orders for mixed feed totaled about 103,000 tons and for hay, 1,274,000 tons. Orders also had been approved for about 11 million bushels of corn and 15.5 million bushels of oats.

COTTON

Spot cotton prices have moved up a few more points during the past week and are now very close to CCC loan levels. Some qualities are quoted above loan values in local markets. Cottonseed prices, on the other hand, declined in Texas last week, averaging $51.80 per ton, or 80 cents lower than in the previous week.

CCC loan entries reported in the week ended January 1 totaled 195,800 bales, compared with 200,200 in the preceding week and 296,200 two weeks earlier. Loan entries for the season through January 1 were 5,554,100 bales. This excludes 86,500 bales, the notes for which had been returned to lending agencies for correction. Loan repayments through January 1 this season were 54,400 bales, leaving loans outstanding on 5,499,700 bales of 1953-crop cotton.

Through January 1, CCC received 876,225 bales of Texas cotton and 137,115 bales of Oklahoma cotton into the loan program. Since January 1, loan entries have been heavy, and it is reported that local lending agencies and cooperatives have received a deluge of loan applications.

The USDA says that the supply of cotton in the U.S. for the 1953-54 season is estimated at 21.9 million bales, and disappearance is forecast at about 12.3 million. This would leave a carry-over on August 1, 1954, of about 9.6 million bales, compared with 5.5 million a year earlier. About 6.5 million bales of this carry-over probably will be held by CCC under the price support program.

Export of cotton during the current season is expected to increase moderately over the 3 million bales exported in 1952-53. Loans and grants from the U.S. Government to finance cotton exports during the 1953-54 season amount to $283 million as of December 29, which, if completely used, would finance about 1 1/2 million bales.

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

Farm real estate values in the United States as of November 1, 1953, were lower than in July in practically all states, according to a report released last week by the USDA. Three-fourths of the states showed declines of 2 to 4 percent, but values were down 5 percent or more in 10 states.

In states lying wholly or partly within this Federal Reserve District, percentage declines were as follows: Arizona 7, Louisiana 2, New Mexico 3, Oklahoma 5, and Texas 2.

Farm land values in the United States in November averaged 6 percent below a year earlier. Percentage declines in states of this District were: Arizona 10, Louisiana 2, New Mexico 9, Oklahoma 9, and Texas 4.

Although considerable decline in farm land values has occurred in the Southwest in the past year, they still average relatively high. Percentage increases over 1935-39: Arizona 153, Louisiana 135, New Mexico 218, Oklahoma 157, Texas 145, and United States 147.

Probably fewer farms were sold during the summer and fall of 1953 than during any comparable period since 1939, says the report. This represents a continuation of the downward trend in sales activity that has prevailed every year since 1947, except 1950 when the Korean outbreak caused a temporary upturn. Reduced farm income and uncertainty as to future levels of income are given as probably the major factors contributing to the sluggish market for farm land this past summer and fall. Not only were farmer-buyers hesitant to assume large debts with a declining farm real estate market in prospect, but more stable economic conditions have largely checked the interest of the investor-buyer in farm land as an inflation hedge.

Interest rates on new farm-mortgage money have generally increased in all parts of the country during the past 2 years, reflecting the higher interest yields on Government and corporate securities.

In this connection, a recent survey of interest rates on farm mortgages in several midwestern states, made by the Federal Reserve Bank of Chicago, shows that the most common rate charged there by commercial banks is 5 percent. Only a few bankers expected interest rates to show any further advances during 1954.

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