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FARM COMMODITY PRICES

The U. S. Department of Agriculture reported last week that a sharp decline in hog prices during the month ended June 15, together with lower prices for cattle, commercial vegetables, and wheat, resulted in a $\frac{4}{5}\%$ (10 points) decline in the Index of Prices Received by Farmers. The Index on June 15 was at 248 (1910-14 = 100), which compares with 258 in May and 257 in June 1953. Prices of Irish potatoes, corn, cotton, and several important fruit crops increased during the month, partially offsetting the downward movement registered by most other commodities.

The Parity Index (the index of prices farmers pay, including interest, taxes, and wages) was at 282 on June 15, which is 2 points below a month earlier and represents the first decline since last October. Most of the decline in prices farmers pay was due to lower prices for farm production goods, principally feed and feeder livestock, while family living items eased only slightly. The June Parity Index was 5 points, or about 2%, higher than a year earlier.

With farm commodity prices down more than prices paid by farmers for commodities and services, the June Parity Ratio also declined. At 88% the ratio was the lowest since March 1941.

The Parity Ratio at 88% means, theoretically, that farmers generally were receiving 88% of parity for commodities sold as of June 15. Among producers of individual farm commodities, however, the ratios of prices received to parity prices varied sharply.

For example, cotton sold at 92% of parity, while wheat brought 77% of parity. Percentage figures for other farm commodities: rice 76, corn 82, peanuts 83, Irish potatoes 100, milk 82, cottonseed 71, sorghum grain 89, beef cattle 80, chickens 76, eggs 78, hogs 105, lambs 88, and wool 94.

GRAINS

Following the announcement by the Secretary of Agriculture that the national wheat acreage allotment for 1955 will be 55 million acres, state acreage allotments were announced. The wheat acreage allotment for Texas will be 4,203,735 acres, which compares with about 4.8 million acres allotted for 1954 and 5.4 million planted for harvest in 1953.

State allotments are based on wheat acreages for the past 10 years, with adjustments for planting trends, weather, and other factors. Individual farm allotments will be determined on the basis of wheat production during the most recent years and, in addition, tillable acres, crop rotation plans, type of soil, and general topography of the farm are all considered. Each wheat grower will be advised of the acreage allotment for his farm prior to the wheat marketing quota referendum scheduled for July 23.

It was announced last week that the price support rates for 1954-crop wheat will average \$2.24 per bushel nationally instead of the \$2.20 minimum average announced at planting time last fall. The new support rate is the highest ever set by the Department of Agriculture under its wheat price support program. The average rate for last year's crop was \$2.21.

Texas and Louisiana rough rice markets are seasonally inactive. Meanwhile, the American Rice Growers Cooperative Association reports that the new rice crop is making good growth. Most early fields are beginning to head up.

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

Changes in spot cotton prices during the past week or two probably have limited significance, since many prospective buyers are awaiting the first official 1954 cotton acreage estimate which will be released on Thursday, July 8. Several private estimates already have been published, but these show considerable variation.

CCC cotton loan repayments have been declining weekly, and the week ended June 25 totaled 37,500 bales, which brings the total for the season to less than 1.6 million.

Red meat production in commercial slaughter plants in the U. S. during May totaled almost 1.8 billion pounds, according to the USDA. This was 1% less than in April but 3% more than in May 1953 and represented the largest May production since records were started in 1946. In the first 5 months of 1954, production of beef was up 9%, veal up 18%, lamb and mutton unchanged, and pork down 11% from the corresponding months last year.

The Fort Worth office of AMS reports that cattle prices on the local market lost 50¢ to \$1 last week, calf prices declined about \$1. Butcher hog prices advanced 50¢ to 75¢, while lamb prices gained as much as \$1.

Texas broiler markets closed steady to strong last week. Prices rose to the highest level since January 8. Broilers or fryers weighing $2\frac{1}{2}$ to 3 pounds brought 26¢ in major producing areas.

Weekly placements of broiler chicks on Texas farms have been running well below comparable weeks of 1953, but higher than in 1952. In the week ended June 26, placements totaled 1,347,000 chicks, down 6% from a year ago.

Prospective production of crimson-clover seed in the U. S. this year is forecast by the USDA at 16,430,000 pounds of clean seed, 13% less than the 1953 harvest and 10% below the 1943-52 average. The Texas crop is indicated at 350,000 pounds, which compares with 480,000 pounds last year and is only about one-half the 10-year average.

Growth of the peanut crop in Texas and Oklahoma, which is almost entirely planted, continues good. Some sections are becoming a little dry and rains will be needed within a couple of weeks. With the heavy recent rains in south Texas, some additional peanut acreage is being planted there for late harvest.

New crop Texas-grown Irish potatoes sold in Dallas last week as follows, per 50-pound sack, washed: U. S. No. 1 A, \$1.75 to \$2; size B, \$1.50.

W. M. Pritchett
Agricultural Economist