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CROP PRODUCTION

The U. S. Department of Agriculture released this week its July 1 report on crop prospects for 1954. The report says that another large volume of crops is expected this year, virtually as large as in 1952 and 1953. In fact, the volume of crop production is tentatively estimated to be at an index of 102% (1947-49 = 100), which compares with 103% in both 1952 and 1953 and the record of 106% in 1948.

While acreages of wheat and cotton were reduced sharply this year under the Government production control programs, acreages of most other crops were increased over 1953. Land withdrawn from wheat and cotton production was, for the most part, seeded to other crops. In fact, the total acreage of crops for harvest this year is larger than last year.

If the large volume of crop production now in prospect materializes there will be substantial additions to crop surpluses already on hand. CCC investment in price support commodities at the end of May exceeded \$6.1 billion, and the Corporation is faced with probable large-scale price support operations in connection with 1954 crops.

The U. S. corn crop is estimated at 3,311 million bushels, which if realized would be the second largest of record. A record oat crop of 1,545 million bushels is in prospect. The sorghum crop is being grown on a near-record acreage, but yield prospects are extremely uncertain, says the USDA. The hay crop will be 107½ million tons, the third largest on record. Rice continues its series of record-breaking outturns, with an expected 60 million bags. Oilseed production will be large, despite the reduction in cotton acreage. The acreage of cotton in cultivation is estimated at 19,961,000 acres, or 21% less than a year earlier.

Nearly 358 million acres of crops were planted or growing this season. This is only about a million acres less than the 1953 total, despite reductions of about 20 million acres in crops under allotments. However, acreage losses are expected to total about 16.4 million acres, which would be 2.2 million acres less than in 1953. Thus, 341.4 million acres of crops are expected to be harvested in 1954, which would be a million more than last year but 3.7 million acres less than average in the 1943-52 period.

July 1 estimates of acreages of cotton in cultivation in the states of the Eleventh Federal Reserve District and percentage declines from 1953 are as follows: Louisiana 705,000, 27%; Oklahoma 1 million, 6%; Texas 8 million, 16%; New Mexico 210,000, 35%; and Arizona 416,000, 40%.

Corn production in each of the states of the District in 1954 is expected to be up from 1953. The July 1 estimates: Louisiana 14,410,000 bushels, up 3½ million; Oklahoma 7,240,000, up almost 1 million; Texas 38,448,000, up 4.6 million; New Mexico and Arizona with 1,335,000 and 525,000, respectively, each up slightly.

Oat production: Louisiana 3,332,000 bushels, up 1 million; Oklahoma 17,856,000, up 6 million; Texas 42,412,000, up 3 million.

Hay production: Louisiana 413,000 tons, up slightly; Oklahoma 2,101,000, up 300,000; Texas 1,678,000, down slightly.

Rice production: Louisiana 13,083,000 bags, up almost 1 million; Texas 16,120,000, up 1.2 million.

The aggregate production of all spring and summer vegetables and melons in Texas is estimated to be 16% above the total production of these crops last year and 26% above average.

C O T T O N

Spot cotton prices have remained relatively steady since the U. S. Department of Agriculture announced last week its July 1 estimate of acreage of cotton under cultivation this year, which indicates that the first official estimate of cotton acreage in cultivation was close to general trade expectations. Spot buying of cotton last week was limited, and purchases were made principally by shippers needing cotton to meet commitments. Mills are buying only small lots to cover immediate requirements.

The USDA has announced that the penalty rate on "excess" upland cotton of the 1954 crop is 17.5¢ per pound, and the penalty rate on extra long staple cotton is 36.2¢ per pound.

L I V E S T O C K

On the Fort Worth market last week cattle and calves were generally strong to 50¢ higher; Choice slaughter calves gained as much as \$1. Fat lambs advanced \$1 to \$1.50, and feeder lambs were strong to \$1 higher. Hogs advanced early in the week but later lost ground as market receipts mounted. Some of the gains in cattle prices last week were lost, however, as the market opened on Monday of this week (July 12). Hog prices were a little weak, but lamb prices gained 50¢ to 75¢.

Monday's quotations: Commercial and Good beef steers and yearlings \$15 to \$21, Choice scarce, Cutter and Utility yearlings \$10 to \$13; Medium and Good stockers and feeders \$12 to \$17; Good and Choice slaughter calves \$15 to \$17.50; Utility and Commercial \$10 to \$13; Medium and Good stocker calves \$12 to \$18, a few Choice \$19; Choice 190- to 240-pound butcher hogs \$24.50; Good and Choice spring lambs \$18.50 to \$21, Utility and Good slaughter yearlings \$12 to \$12.75, Feeder lambs \$14 to \$15.

The livestock situation will be featured this summer and fall, says the USDA, by a substantial increase in the number of hogs slaughtered, reflecting more spring pigs saved than last year, and by cattle slaughter at about the same high volume as in the last half of 1953. Slaughter of sheep and lambs may be a little below the same period last year. Prices received by farmers for cattle and calves are likely to average generally about the same as last year. Prices for hogs will be moderately lower.

The AMS office in Austin reports that commercial meat production in Texas in May totaled 90.5 million pounds, up 11% over the same period last year.

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

Texas broiler markets held about steady last week but were a little stronger on Monday of this week. The Texas Department of Agriculture reports that broilers or fryers weighing 2½ to 3 pounds sold Monday in east Texas at 26¢ to 27¢, mostly 27¢. Other producing areas report sales at 26¢. A year ago, broilers sold at 28¢ to 29¢.

A USDA report on farm wage rates shows that farm wages in Texas on July 1 averaged slightly less than a year earlier.

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