



# AGRICULTURAL NEWS OF THE WEEK

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## C O T T O N

The U. S. Department of Agriculture announced this week its first estimates of cotton production in 1954. These estimates are based on conditions as of August 1. The U. S. crop is placed at 12,680,000 bales of 500 pounds gross weight. This prospective crop is 23% smaller than the 16,465,000 bales harvested in 1953 but 2% above the average of the 10 years from 1943-52. Prospective yield per acre is calculated at 313.5 pounds, exceeded only by the record-high yield of 324.2 pounds per acre harvested in 1953.

Compared with last year, prospective production is down between one-fifth and one-fourth in the eastern, central, and western cotton states. About average crops are in prospect in the central and western states, while production in the far west is indicated at about 57% above the 1943-52 average.

Prospective production of cotton in Texas in 1954 is placed at 3,400,000 bales, down 21% as compared with the 4,317,000 bales harvested in 1953 but 5% above average.

Yield per acre in Texas is calculated at 212 pounds, compared with 233 pounds harvested last year.

The Agricultural Marketing Service office in Austin reports that most stands of cotton in the State are regular and insect build-up has generally been light. Continued replanting, particularly in northwest and north Texas, caused much acreage to be late. Abnormally high temperatures and continued dry weather during July have reduced yield prospects over much of the eastern half of the State and were threatening dry-land acreage in the northwest as the month ended. The prospective crop is smaller than last year's production in all parts of the State except south Texas, the Southern High Plains, and the Northern Low Rolling Plains. In these two Plains districts, last year's acreage was reduced sharply by dry weather at planting time, and, despite acreage allotments in effect this year, growers are expected to harvest a larger acreage than was harvested in 1953.

Cotton production indicated for other states of the Eleventh Federal Reserve District and changes from 1953 are as follows: Oklahoma 280,000 bales, down 157,000; New Mexico 235,000, down 92,000; Arizona 750,000, down 320,000; and Louisiana 585,000, down 221,000.

The first official estimate of the 1954 cotton crop was somewhat larger than was expected by the cotton trade and is higher than most private forecasts that have been announced during the past 2 weeks. Following the announcement of the cotton crop estimate on August 9, cotton prices dropped as much as \$2 a bale. Middling 15/16-inch cotton in the leading spot markets dropped to 34.09¢ per pound, almost  $\frac{1}{2}$ ¢ per pound below the peak reached about 2 weeks ago.

Since so much attention is given to the official and unofficial estimates of cotton production and their respective differences, perhaps it should be pointed out that there is a significant difference in the concepts on which the official and unofficial estimates are based. The unofficial or private forecasts usually are predictions of cotton production, with the forecaster assuming whatever growing conditions he thinks are likely to prevail for the remainder of the season. Most current private forecasts probably assume rather dry conditions in the next few months, especially in the Southwest. The official estimates, on the other hand, always

assume average weather conditions for the remainder of the growing and harvesting season. The official report, therefore, is not an unqualified prediction but is a statement of production indicated as of a given date and assuming average conditions during the succeeding months. This may explain why the official estimate of the 1954 cotton crop is higher than most private estimates.

Stocks of Government-financed cotton on July 30 totaled close to 7 million bales and consisted of about 126,000 bales of CCC owned and pooled cotton from 1951 and earlier crops, about 1,681,000 bales of 1952 loan cotton which were purchased by CCC on August 2, and 5,192,000 bales of 1953-crop cotton on which the loan maturity date has been extended to July 31, 1955.

The USDA has announced that the average loan rate for Middling 15/16-inch cotton under the 1954 cotton loan program is 33.23¢ per pound, gross weight. This is about  $\frac{1}{2}$ ¢ per pound higher than the 1953 average rate for Middling 15/16-inch cotton and is slightly below the current market rate.

The average loan rate for 1954-crop American-Egyptian cotton is 65.53¢ per pound, net weight, and that for Sealand and Sea Island cotton is 56.22¢, net weight. The former is 9¢ below the 1953 loan level, while the latter is unchanged from a year ago.

The AMS office in Dallas reports this week that Texas cotton ginned prior to August 1 averaged slightly lower in grade and longer in staple length than that ginned for the same period last season. Early-season showers and a tropical Gulf disturbance that brought some rain to the south Texas area were the chief causes in the lowering of the grade this season.

#### L I V E S T O C K

Cattle prices fluctuated within very narrow ranges on the Fort Worth market last week. Slaughter steers and yearlings drew mostly steady prices. Slaughter calves sold strong to \$1 higher. Stocker and feeder cattle gained 50¢ to \$1.

Hog prices in Fort Worth last week gained 50¢ to \$1, closing at a top price of \$23.50. Slaughter lamb prices declined about \$1, although stocker and feeder lambs were stronger, and some lambs which were going for slaughter a week earlier were sold as feeders. Older sheep held generally steady to strong.

Commercial meat production in Texas during June is estimated by the USDA at almost 103 million pounds, 7% above a year earlier. With the rapidly growing population in the State, there appears to be a trend toward slaughtering more livestock locally to supply local demand.

#### W O O L   A N D   M O H A I R

It is reported that some mohair was contracted in Texas last week at 65¢ for Adult and \$1 for Kid mohair, to the warehouse. Trade in Texas wools was practically at a standstill.

The USDA has estimated shorn wool production in the U. S. in 1954 at 229,371,000 pounds, which is slightly less than last year's clip and 14% below the 1943-52 average. Although the average weight per fleece reached an all-time high, this increase in weight was not sufficient to offset the 3% decline in the number of sheep shorn.

Wool production in states of the Eleventh Federal Reserve District in 1954 (shorn and to be shorn) and changes from 1953 are as follows: Louisiana 104,000 pounds, unchanged; Oklahoma 113,000, up 4,000; Texas 5,104,000, down 317,000; New Mexico 1,228,000, off 28,000; and Arizona up 27,000 pounds.

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