



AGRICULTURAL NEWS OF THE WEEK

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C O T T O N

Spot cotton prices are holding relatively steady at levels generally above loan values. Trading has become more active as an increasing volume of new-crop cotton has been ginned. Reports received by the Agricultural Marketing Service office in Dallas indicate that most farmers are offering current ginnings rather freely. Cotton ginned from the 1954 crop prior to August 16 was the largest volume ginned for this period on record.

Daily average domestic mill consumption of cotton declined less than seasonally during July. The daily rate of consumption for the month was 28,600 bales, compared with 31,900 bales per working day in June. However, the July figure was 1,100 bales less than that for July 1953.

The U. S. Department of Agriculture, in its August issue of The Cotton Situation, says that the 1954-55 domestic supply of cotton is estimated at 22.4 million bales, or about a third of a million more than in 1953-54. However, disappearance (consumption and export) is expected to increase about 1.3 million bales to 13.7 million. Thus, carry-over of cotton in the U. S. on August 1, 1955, is expected to be 8.7 million bales, or a million less than on August 1, 1954.

AMS reports that wagon lot prices of cottonseed paid to producers in Texas last week averaged \$65.40 per ton, which is 70¢ above a week earlier and about \$10 higher than a year ago.

The Agricultural Act of 1954, which was signed by the President last week, provides for a "set-aside" from CCC stocks of 3 to 4 million bales of upland cotton. The set-aside can be used for disaster relief and can be sold for export in exchange for foreign currency at a price acceptable to the CCC, or sold at 105% of the parity price for unrestricted use to meet the need for increased supplies.

On the basis of the new law the support level for 1955-crop upland cotton cannot be below 82.5% of the parity price if marketing quotas are not disapproved. However, the support level can go as high as 90% of the parity price if actual supply is less than 108% of the normal supply in 1955-56, after deducting the set-aside. Normal supply is 130% of domestic mill consumption, plus exports.

According to the Act of 1954 the support level for extra long staple cotton can be between 75% and 90% of the parity price.

Other sections of the Agricultural Act provide that release and reapportionment of unused farm acreage allotments will continue in 1955 and subsequent years. Also, the modernized parity formula will become effective for upland cotton on January 1, 1956.

W H E A T

The USDA estimates that total wheat supplies in the U. S. for the 1954-55 marketing year, which began July 1, 1954, totaled about 1,884 million bushels. This consists of carry-over last July 1 of 903 million bushels, the crop estimated as of August 1 at 978 million, and likely imports of perhaps 3 million bushels, mostly of feed wheat. This would be the largest supply on record and 8½% above the previous record established last season.

Price support will be available on the 1955 wheat crop to farmers who (1) comply with their wheat acreage allotments, (2) also comply with any other crop allotments established for their farms in 1955, and (3) stay within the "total acreage allotment" which will be established for each farm having more than 10 acres diverted from allotment crops.

The Agricultural Act of 1954 established flexible price supports for wheat between 82½% and 90% of parity for the 1955 crop. In view of the large supply of wheat on hand it is likely that prices for the 1955 crop will be supported at 82½% of parity. Flexible price supports, ranging from 75% to 90% of parity according to supply conditions, are provided for beginning with the 1956 crop.

The new law also provides authority for establishing a commercial wheat-producing area which would be subject to acreage allotments and marketing quotas when required by law. Cooperators in the noncommercial area would not be subject to these limitations but would receive only 75% of the level of support accorded producers in the commercial area.

Among other provisions of the new law that apply to wheat are those establishing a set-aside of between 400 and 500 million bushels and the gradual transition to the new parity formula for determining wheat price support rates.

L I V E S T O C K

Cattle prices were generally strong to sharply higher on the Fort Worth market last week reflecting principally the increased demand for young cattle and calves for feeding and restocking purposes. Slaughter calves sold \$1 to \$2 above the previous week, while stocker calves and yearlings gained 50¢ to \$1. Feeder steers and cows were strong, with slight gains reported.

Most classes of sheep and lambs moved at steady to strong prices during the week with a good demand for feeders and stockers evident. Prices of butcher hogs declined about \$1.50 at Fort Worth during the week, closing at a top price of \$22.50. The downturn in hog prices reflects the high volume of slaughter on a national level, which is running above a year ago.

In taking a look at the probable course of livestock prices for the remainder of 1954 the USDA says that no great change in cattle prices is in prospect, at least for the remainder of the fall season. Prices of hogs, which are declining (as indicated above), are expected to continue to show further declines by mid-fall although they are not expected to reach the low levels of 2 years ago. Prices of slaughter lambs are not expected to make any substantial recovery until the peak marketing season is ended. Prices of feeder lambs, however, might rise a bit. Total demand for feeder lambs and their prices will be affected considerably by how well wheat pastures develop this fall.

W O O L A N D M O H A I R

Average weekly domestic consumption of apparel wools, shorn and pulled on a scoured basis, in June was 5.6 million pounds, versus 5.8 million in May and 7.8 million in June 1953, according to the Bureau of the Census.

Reports show that at least a million pounds of the new mohair clip in Texas have already been sold. Some mohair was purchased in the State last week at 66½¢ for Adult and \$1.01½ for Kid mohair, according to AMS.

To encourage an increase in the annual domestic production of wool, the Agricultural Act of 1954 authorizes support of wool prices by means of "loans, purchases, payments, and other operations." The support price may be as high as 110% of parity, but only the direct payment method may be used for supporting above 90% of parity. This is the first time that payments to producers as a means of price support have been authorized.

P O U L T R Y

Texas broiler markets held about steady last week and early this week, according to reports of the Texas Department of Agriculture. Broilers or fryers weighing 2½ to 3 pounds are bringing 25¢ to 26¢ per pound.

The AMS office in Austin has estimated turkey production in Texas this year at 3,271,000 birds, down 4% from 1953. Production of heavy breeds is off 11%, while the number of light breeds, accounting for almost one-fifth of the total, show an increase of 44%.