



# AGRICULTURAL NEWS OF THE WEEK

## FEDERAL RESERVE BANK OF DALLAS

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### DROUGHT DESIGNATION EXTENDED

On September 20 the U. S. Department of Agriculture extended designation for drought relief to 22 south Texas counties. This action will enable farmers and ranchers in these areas to continue to purchase livestock feed, excluding hay, at reduced prices. Ranchers also will be eligible for Farmers Home Administration emergency loans if additional funds are needed to maintain basic livestock herds. The Texas counties designated are: Atascosa, Bandera, Bee, Bexar, Brooks, Duval, Frio, Jim Hogg, Jim Wells, Karnes, Kendall, Kleberg, La Salle, Live Oak, McMullen, Medina, Nueces, Starr, Val Verde, Webb, Wilson, and Zapata. Currently, only these counties are designated for drought relief; at the same time last year, 636 counties in 13 states were under designation.

### COTTON EXPORT PROGRAM

On September 21 the USDA stated that a special cotton export program will be made effective after January 1, 1956. Previously, it had been announced that not more than 1 million bales of lower-quality, short-staple Commodity Credit Corporation cotton might be offered for export sale on an open competitive-bid basis. Under the program, CCC cotton stocks of all grades with a staple length of 15/16" or shorter will be made available for sale. No other qualities will be available under the program.

### WINTER COVER CROP SEED

The total U. S. production of Austrian Winter peas, vetch, and rye grass seed in 1955 is forecast at 220,017,000 lbs., which is 4% larger than last year's output and 10% more than the 10-year (1944-53) average, reports the Agricultural Marketing Service. The increased production of Austrian Winter peas, common vetch, and perennial rye grass is expected to offset the decreased output of hairy and purple vetches.

Production of hairy vetch in Texas this year is forecast at 5,400,000 lbs. of clean seed, or 28% less than in 1954 and 15% below the 10-year average. In Oklahoma the hairy vetch seed crop is forecast at 5,250,000 lbs. of clean seed, or less than half last year's production and only about one-third as large as the 10-year average output.

The 1955 national production of sweet clover seed is estimated at 48,773,000 lbs. of clean seed, or 12% larger than a year earlier and 10% greater than the 10-year average. Four states - Texas, Minnesota, Nebraska, and Kansas - are expected to account for two-thirds of the U. S. output this year. In Texas, about 91% of the sweet clover seed is Hubam; 7%, Madrid; and 2%, other sweet clovers.

### RECORD GRAIN STOCKS

Grain stocks in the four principal exporting countries - the United States, Canada, Argentina, and Australia - reached a record high of 116 million tons on July 1, 1955, according to estimates of the Foreign Agricultural Service. This is the third consecutive year in which a new record has been established. The estimated total stocks of the five major grains (wheat, rye, barley, oats, and corn) are 2% above the previous record in 1954 and are more than double the 1945-49 average.



The increase over the previous record high in 1954 is attributed to the substantial rise in U. S. stocks, which more than offset declines in total grain stocks in the other three countries.

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

Cattle and calf receipts at Fort Worth on Monday, September 26, were unusually small, as a result of good rains received throughout most of the State during the past week end, reports the AMS. The supply is estimated at 3,800, compared with 6,803 a week earlier and 9,903 on the corresponding day last year. Trading was fairly active on most classes, and prices generally were strong to 50¢ per cwt. higher than in the previous week. A few lots of Commercial and Good slaughter steers, including yearlings, sold at \$14 to \$17.50. Commercial cows were quoted at \$11.25 to \$12.25, while Medium and Good stocker and feeder steers brought \$13.50 to \$18. Good and Choice slaughter calves cleared mostly at \$17 to \$18.50; Medium and Good stocker steer calves were \$14 to \$19.

Monday's hog supplies are estimated at 800, or 23% fewer than a week ago. Prices generally were steady to 25¢ per cwt. higher than those late last week, with mixed lots of U. S. No. 1 to No. 3 Grades of 190- to 250-lb. barrows and gilts bringing \$16.50 to \$16.75.

Receipts of sheep and lambs totaled 1,300, which is sharply below the volume of marketings on other recent Mondays. Trading was fairly active, and prices of slaughter classes were fully steady to strong as compared with a week earlier. Good and Choice slaughter spring lambs brought \$17 to \$18.50.

#### P O U L T R Y

During the week ended Friday, September 23, major Texas broiler markets generally were steady to weak, according to the State Department of Agriculture. Closing prices - which were 1¢ to 3¢ per lb. lower than a week earlier - were: South Texas, 23¢ to 24¢; east Texas, 22¢ to 23.5¢, mostly 23¢; Waco, 23¢; and the Corsicana F.O.B. plant, 24¢ to 24.5¢ per lb. During the comparable week in 1954, closing prices were 22¢ in all areas.

On Monday of this week, the principal broiler markets in Texas were unsettled to weak, with the following prices quoted: South Texas, 23¢ to 24¢, mostly 23¢ per lb.; east Texas, 22¢ to 23¢; Waco, 22¢; and the Corsicana F.O.B. plant, 24¢.

Broiler chicks placed on Texas farms during the week ended September 17 totaled 1,562,000, reports the AMS. This is 10% above placements in the previous week and 14% more than those in the corresponding period last year.

#### F O O D F A T S

U. S. production of food fats in the 1955-56 marketing season, which begins October 1 this year, is expected to be somewhat larger than the 1954-55 output and may reach a record high. Prospects are that production of soybean oil in the 1955-56 season will be the largest of record. This prospective increase, together with a moderately larger output of lard, will more than offset an indicated decrease in cottonseed oil production. The output of butter probably will be about the same as in the current season.

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