



# AGRICULTURAL NEWS OF THE WEEK

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## AGRICULTURAL PRICES

The index of prices received by the Nation's farmers as of November 15, 1955, is placed at 225% of the 1910-14 average, or 2% lower than a month earlier and 7% below a year ago. Sharply lower prices for hogs and cattle were primarily responsible for the decline from the month-earlier index. Changes in prices for most other commodities were relatively small. Prices for corn and cotton declined, and those for milk, potatoes, and some varieties of fruits and commercial vegetables increased. The crop index remained unchanged from mid-October to mid-November, while the live-stock and livestock products index declined 5%.

The parity index (which reflects prices paid for commodities, plus interest, taxes, and wage rates) on November 15 declined 1 point from a month earlier and is placed at 279 - the same as a year ago. Prices paid for both living expenses and production commodities declined from mid-October to mid-November, with the principal decreases occurring in feeder livestock, food, and livestock feed.

The parity ratio as of November 15 was 81, or 1% below a month earlier and 7% lower than a year ago. This ratio is the lowest since October 1940.

## FARM INCOME

Cash receipts from farm marketings in the Nation for the January-September period this year totaled \$19,724,035,000, or 4% below those for the comparable months in 1954, reports the U. S. Department of Agriculture. Crop receipts were 2% lower and livestock receipts were 5% less than in the same 9-month period last year.

In the states of the Eleventh Federal Reserve District (Arizona, Louisiana, New Mexico, Oklahoma, and Texas), cash receipts for the first 9 months of this year are estimated at \$1,856,168,000, which is 10% below those in the corresponding months a year earlier. Crop receipts were 17% lower, and receipts from livestock were 3% less.

## EMERGENCY LOAN AREA

The USDA recently extended through December 31, 1956, the designation of 197 Texas counties as an area in which the Farmers Home Administration may make emergency loans. In order to be eligible for an emergency loan in the area, a farmer must be unable to obtain needed credit from any other source. Loans are made to finance normal operations. The interest rate on such FHA loans is 3%.

Emergency credit needs of farmers and ranchers in the remaining 57 counties of Texas are served under the special Great Plains credit program, which has been in effect since August 1. No termination date has been announced for this program.

## POULTRY

According to the Texas Department of Agriculture, major broiler markets in the State were generally steady during the week ended Friday, December 2; however, the east Texas market was unsettled at the close. Trading for the week was light to moderate in south Texas, moderate to normal in east Texas, and normal at Waco. Closing prices - which were unchanged to 2¢ per lb. higher than in the preceding week - were: South Texas, 20¢ to 22¢; east Texas, 19¢ to 21¢, mostly 20¢; and Waco, 20¢. During the corresponding period in 1954, closing prices were 20¢ per lb. in all areas.

On Monday, December 5, broiler markets were weak in south Texas and about steady in east Texas and the Waco-Corsicana area. The following prices per lb. were quoted: South Texas, 19¢ to 20¢, mostly 20¢; east Texas, 19¢ to 20¢; Waco, 19.5¢ to 20¢, mostly 20¢; and the Corsicana F.O.B. plant, 20¢ to 21¢.

During the week ended November 26, placements of broiler chicks on Texas farms totaled 1,748,000, according to the Agricultural Marketing Service. This represents a decrease of 1% from the previous week but is 36% above placements during the corresponding period in 1954. Of the total placements, 91% were hatched in Texas and 9% were shipped in from other states.

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

Cattle receipts at Fort Worth on Monday, December 5, are estimated at 4,400, or about the same as a week earlier and 444 fewer than on the comparable date last year, reports the AMS. Trading on slaughter steers was uneven, with some classes bringing steady prices while others were 50¢ and more per cwt. lower than in the preceding week. The market for cows was active, and prices were steady to strong. Stockers and feeders brought generally steady prices. Commercial and Good slaughter steers sold at \$13.50 to \$17.50; Medium and Good stocker and feeder steers, \$13 to \$17.50; and stocker cows, \$9 to \$11.50 per cwt.

Monday's calf supplies totaled 1,200, which is 31% more than a week earlier but 30% fewer than a year ago. Sales were generally steady on all classes, with Commercial and Good slaughter calves bringing \$13 to \$17.50 and Medium and Good stocker steer calves selling at \$14 to \$18.

Hog receipts are placed at 700, or slightly fewer than on the preceding Monday's market but 53% above those at the same time in 1954. Trading was fairly active, with prices of butchers and sows steady to 25¢ per cwt. higher than in the latter part of last week. U. S. mixed No. 1 to No. 3 Grades of 200- to 280-lb. slaughter hogs brought mostly \$12.

Sheep and lamb marketings on Monday of this week are estimated at 3,000, compared with 2,420 a week ago and 2,985 on the corresponding date last year. Trading was active, with prices for slaughter lambs steady to strong and those for slaughter ewes steady to 50¢ per cwt. higher than in the preceding week. The market for feeder lambs held steady. Good and Choice woolled and shorn 85- to 97-lb. slaughter lambs cleared at \$17 to \$18.

#### F A R M F I N A N C E S I T U A T I O N

According to the Agricultural Research Service, farm prices and agricultural income this year are lower than in 1954; yet, the total value of farm assets, and of owners' equities in these assets, has increased. The explanation for this paradox is that the value of farm real estate has continued to rise in 1955 despite lower farm income. This unusual farm real-estate situation apparently is the result of -

1. The desire of farmers to enlarge their farms.
2. More liberal loan policies of some mortgage lenders.
3. Generally favorable crop yields in 1955.
4. The favorable outlook for the economy as a whole.
5. The expectation that the demand for farm land will be favorable in the long run, partly because of a continued high rate of population growth in the United States.

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