



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 330

Wednesday, April 25, 1956

PRICE SUPPORTS FOR COTTON

On April 17 the U. S. Department of Agriculture announced that the minimum level of price support for 1956-crop upland cotton, basis Middling 7/8", will be 28.85¢ per lb., or 82½% of the current parity price for upland cotton. The 1956 crop of extra-long staple cotton will be supported at 55.65¢ per lb., which is 75% of the current parity price. The support prices for the 1955 crops of upland and extra-long staple cotton were 31.70¢ and 55.20¢ per lb., respectively.

DAIRY SUPPORT PRICES INCREASED

On April 18 the Secretary of Agriculture increased dairy support prices for butterfat from 56.2¢ to 58.6¢ per lb. and for milk for manufacturing purposes from \$3.15 to \$3.25 per cwt. These prices will be in effect for the 1956-57 dairy marketing year, which ends March 31, 1957. The increases followed the President's statement on April 16 that prompt administrative action would be taken to improve farm income, with the supports for butterfat and milk for manufacturing purposes raised to these levels. The new support prices represent 81% of the March 15 parity price for butterfat and 84% of the parity equivalent for milk for manufacturing purposes. The former prices represented 78% of parity for butterfat and 82% of parity for milk for manufacturing purposes, as of early 1956.

CATTLE AND CALVES ON FEED

The number of cattle and calves on feed for market in the 14 major feeding states of the Nation on April 1, 1956, is estimated at 4,231,000, reports the Agricultural Marketing Service. This number reflects decreases of 16% from the January 1 level and 8% from the corresponding date in 1955. The number of cattle placed on feed in the 14 states during the January-March period this year was 3% smaller than for the corresponding months a year earlier, while marketings of fed cattle were 13% larger.

In Texas, the number of cattle and calves on feed as of April 1 was an estimated 93,000, or 11% more than a year ago but 37% fewer than on January 1, 1956. Large commercial feed lots in the State had a total of 56,000 cattle and calves on feed on April 1 and were operating at a level 12% above that of a year earlier. Cattle and calves being fed on farms and in feed lots with a capacity of fewer than 1,000 head were placed at 37,000, compared with 34,000 a year ago and 61,000 at the beginning of this year. Marketings of cattle and calves from feed pens in Texas during the January-March period in 1956 totaled 98,000, and replacements were 44,000 head. During the corresponding months last year, marketings totaled 86,000, and replacements were 38,000.

LIVESTOCK

Cattle receipts at Fort Worth on Monday, April 23, were the largest since January, according to the AMS. The supply is estimated at 3,700, compared with 2,700 a week earlier and 5,700 on the corresponding date in 1955. Stocker cattle accounted for the major part of the increase from the previous Monday - apparently as a result of continued dry weather. Trading on slaughter steers and heifers was slow, and prices for these animals were steady to weak. The cow market opened steady but was weaker later in the day. Offerings of stocker cattle grading below Medium were difficult to sell, and prices were unevenly lower than those in the past week. Commercial and

Good slaughter steers (mainly yearlings) sold at \$15 to \$19; Good yearling heifers, \$17 to \$18; Utility cows, \$11 to \$12; and Good yearling stocker steers, \$16 to \$17.50 per cwt.

Monday's calf supply totaled an estimated 800, or 250 more than a week ago but 400 fewer than at the same time last year. Prices of slaughter calves were about in line with the previous week's close, but those for most stockers were unevenly lower. Commercial and Good slaughter calves brought \$15 to \$19, and Good stocker steer calves cleared at \$16 to \$18.

Hog marketings are placed at 1,100, which is 21% smaller than on the preceding Monday but is 22% larger than on the corresponding date in 1955. Prices for butchers were 25¢ per cwt. higher than in the latter part of the past week, and those for sows were steady to 50¢ higher. Most of the offerings were mixed grades - mainly Grade No. 3 butchers, with average weights of 225 lbs. to 325 lbs. - which sold from \$14 to \$15.50.

Monday's sheep and lamb receipts at Fort Worth are estimated at 11,300, or the second highest supply of the current season. The receipts compare with 7,500 a week earlier and 20,050 at the same time in 1955. Most sheep and lambs sold at prices which were steady to strong as compared with those in the past week. Good and Choice slaughter spring lambs brought \$19 to \$21 per cwt.

P O U L T R Y

The major Texas broiler markets were generally steady to firm during the week ended Friday, April 20, reports the State Department of Agriculture. Closing prices ranged from 1¢ to 3¢ per lb. higher than at the previous week's close. The following prices were quoted on the past Friday's market: South Texas, 22¢; east Texas, 22¢, a few at 21¢; Waco, 21¢ to 22¢; and the Corsicana F.O.B. plant, 22¢ to 23¢ per lb. During the corresponding week in 1955, closing prices were: South Texas, 26.5¢ to 27.5¢, mostly 27¢; east Texas, 25¢ to 26¢, mostly 26¢; Waco, 26¢; and the Corsicana F.O.B. plant, 27¢ per lb.

On Monday, April 23, broiler markets were fully steady in east Texas and were steady to firm in south Texas and the Waco-Corsicana area. The following prices were quoted: South Texas, 22¢ to 23¢, mostly 23¢; east Texas and Waco, 22¢; and the Corsicana F.O.B. plant, 22.5¢ to 23¢ per lb.

BROILER CHICK	Area	Week ended April 14, 1956	Percentage increase from	
			Previous week	Comparable week, 1955
PLACEMENTS	Texas.....	2,151,000	2	17
	Louisiana..	386,000	6	41
	22 states..	26,760,000	2	20

J. Z. Rowe
Agricultural Economist