



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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WOOL INCENTIVE PAYMENTS

The U. S. Department of Agriculture urges wool growers to sell their wool at the highest possible price. Incentive payments for the 1956 wool clip will be made at one percentage rate for the country as a whole; therefore, the higher the price the individual grower gets for his wool in the market, the greater his incentive payment will be. For example, if the U. S. average price for wool during the current marketing year turns out to be 44¢, in order to increase the growers' average price to the 1956 incentive level of 62¢, the average payment would need to be increased by 18¢ per lb., or 40.9%. Consequently, the grower who sold his wool for 30¢ a lb. would get an incentive payment equivalent to only a little more than 12¢, bringing the total income from his wool to around 42¢ per lb. If the grower were able to sell his wool for 50¢ per lb., he would get an incentive payment equivalent to over 20¢, which would bring his total income from his wool - including the payment - to around 70¢ per lb.

CCC PRICE SUPPORT PROGRAM

As of April 30, 1956, the Commodity Credit Corporation's investment in price support commodities totaled \$8,633,465,000, according to the USDA. Of the total investment, loans outstanding accounted for \$2,622,236,000, including \$822,511,000 of loans financed by lending agencies, and the cost value of inventories, \$6,011,229,000. On the corresponding date last year, the CCC's investment in price support commodities totaled \$7,261,338,000, of which loans outstanding amounted to \$2,692,553,000 and inventories were \$4,568,785,000. Price support operations in upland cotton, corn, tobacco, and wheat accounted for most of the loan total.

WORLD LIVESTOCK NUMBERS

World cattle numbers at the beginning of 1956 are estimated at a record 918 million, or 1% larger than a year earlier and 22% greater than the 1936-40 average, according to the Foreign Agricultural Service. The large increase in cattle numbers in recent years will be reflected in continued large world production of beef. Beef production could increase even more sharply if drought or other unfavorable conditions should cause liquidation of herds in one or more of the major beef-producing countries.

World sheep numbers continued to increase during 1955 for the ninth consecutive year. The estimated 910 million head on hand at the beginning of 1956 is 2% larger than a year earlier and 22% above the 1936-40 average, according to the FAS. Increases in sheep numbers during 1955 occurred in all of the principal sheep-producing areas of the world except Canada and the United States. Sheep numbers in the United States appear to have stabilized at about 40% of the pre-World War II level.

World hog numbers increased slightly during 1955 to reach an all-time high of 373 million at the beginning of 1956, or about 1% more than a year earlier. The total is 27% greater than the prewar level and 52% above the low level of 1946-50.

P O U L T R Y

During the week ended Friday, June 8, Texas commercial broiler markets opened at prices which were 1¢ to 2¢ per lb. lower than the previous Friday's close. All markets declined during the week as trading progressed but showed some light strength toward the close of the market on June 8. Closing prices - which were mostly 2¢ per lb. lower than during the last week - were: South Texas, 20¢ to 20.5¢, mostly 20¢, and east Texas and Waco, 19¢ to 20¢ per lb. During the corresponding period in 1955, closing prices were: South and east Texas, 27¢ to 28¢, mostly 28¢; Waco, 27¢; and the Corsicana F.O.B. plant, 27.5¢ per lb.

On Monday, June 11, broiler markets were fully steady in south and east Texas and steady in the Waco-Corsicana area. The following prices were quoted: South Texas, 20¢ to 21¢, mostly 20¢; east Texas, 19¢ to 21¢, mostly 19¢ to 20¢; Waco, 19¢ to 20¢; Corsicana, at the farm, 20¢; and the Corsicana F.O.B. plant, 21¢ per lb.

	Area	Week ended June 2, 1956	Percentage change from	
			Previous week	Comparable week, 1955
BROILER CHICK				
	Texas.....	2,280,000	4	29
PLACEMENTS	Louisiana..	329,000	-4	28
	22 states..	27,664,000	3	22

L I V E S T O C K

The cattle supply at Fort Worth on Monday, June 11, totaled an estimated 6,000 - the largest receipts since October 1955, reports the Agricultural Marketing Service. After a slow start on slaughter steers, trading on all classes became fairly active, and prices were mostly steady with those in the previous week. Good slaughter steers sold at \$17 to \$18.50; Utility cows, \$10.50 to \$12.25; and Good yearling stocker steers, \$15 to \$17.50 per cwt.

Monday's calf receipts are placed at 1,000, compared with 650 a week earlier and 950 on the corresponding date in 1955. Trading was fairly active. Choice slaughter classes were scarce; Good grades brought \$16.50 to \$18.50 per cwt. Good stocker steer calves cleared at \$15.50 to \$18.50; some Choice grades sold at \$19 to \$21.50.

Hog supplies totaled an estimated 1,700, which is 200 fewer than a week ago but 800 more than on the corresponding date a year earlier. Early bids on butchers were lower than in the latter part of the past week; however, most slaughter hogs sold at steady prices, and some sales were 25¢ per cwt. higher. No. 1 through No. 3 Grades of 200- to 250-lb. butchers brought \$16.75 to \$17.25, with most offerings quoted at \$17.

Sheep and lamb marketings are estimated at 14,000, or 22% smaller than those a week earlier but 23% larger than at the same time in 1955. Receipts of sheep and lambs at Fort Worth continue much larger than at any other livestock market. A few early sales of slaughter lambs and yearlings were \$1 lower than in the previous week. However, later trading was fairly active, with slaughter lambs and yearlings bringing weak to 50¢ per cwt. lower prices; other classes held steady. Good and Choice slaughter spring lambs brought \$21 to \$24.

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