



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 338

Wednesday, June 20, 1956

F E E D G R A I N S U P P O R T P R I C E S I N C R E A S E D

On June 8 the U. S. Department of Agriculture announced increased support prices for 1956-crop oats, barley, grain sorghums, and rye. The new support prices reflect 76% of the respective parity prices for the crops on May 1, 1956, as required by provisions of the Agricultural Act of 1956. The following are the national average dollars-and-cents support rates for 1956 crops of the commodities.

<u>Oats</u>	- 65¢ per bu.
<u>Barley</u>	- \$1.02 per bu.
<u>Grain sorghums</u>	- \$1.97 per cwt.
<u>Rye</u>	- \$1.27 per bu.

Support rates previously announced for the 1956 crops of these feed grains reflected 70% of the January 15 parity prices and were: Oats, 59¢ per bu.; barley, 93¢ per bu.; grain sorghums, \$1.80 per cwt.; and rye, \$1.16 per bu.

The revised national average support rates for the 1956 crops compare with the following average support prices for the 1955 crops: Oats, 61¢ per bu.; barley, 94¢ per bu.; grain sorghums, \$1.78 per cwt.; and rye, \$1.18 per bu.

R A T E S O N C E R T I F I C A T E S O F I N T E R E S T

On June 13 the USDA announced that certificates of interest to be issued in connection with the 1956-crop cotton price support loan program will bear interest at the rate of 2 3/4% per annum. Lending agencies will also continue to receive a fee of 8¢ per bale (which is provided in the lending agency agreement) to cover costs of disbursing and scheduling the loans. The rate of interest charged farmers obtaining price support loans on their commodities will remain 3 1/2% per year.

Similar action with respect to 1956-crop loan programs for grain and related commodities was taken on June 7. The rate of compensation payable to lending agencies for financing and servicing Commodity Credit Corporation price support loans on these commodities is 3 1/4% per annum.

These are the same rates which were in effect for loan disbursements under the 1955 crop programs.

W I N T E R W H E A T

The Nation's 1956 winter wheat crop is estimated, as of June 1, at 670 million bu., or 2% below the previous month's forecast. The 1955 output was 705 million bu., and the 10-year (1945-54) average was 873 million bu. The indicated yield per harvested acre in 1956 is placed at 18.7 bu., compared with 20.9 bu. harvested in 1955 and the 10-year average of 18.3 bu.

In the four major wheat-producing states of the Eleventh Federal Reserve District (Arizona, New Mexico, Oklahoma, and Texas), the indicated production of 1956-crop winter wheat is placed, as of June 1, at 82,811,000 bu., or 11% larger than the month-earlier forecast. A crop this size would be twice the small output in 1955 but 37% below the 10-year average.

L I V E S T O C K

Cattle receipts at Fort Worth on Monday, June 18, were the largest since July 1955, according to the Agricultural Marketing Service. The estimated supply

of 6,600 compares with 6,000 on the previous Monday and 5,700 at the same time last year. Most sales of stockers and feeders were weak to \$1 per cwt. lower than at the previous week's close; other classes of cattle sold at generally steady prices. Good slaughter steers brought \$18 to \$19.50; most Commercial cows, \$12.50 to \$13.25; and Medium stocker and feeder steers, \$12 to \$14.

Monday's calf supply is estimated at 1,300, or 400 more than a week earlier and 50 above the receipts on the corresponding date in 1955. Both slaughter and stocker classes of Good and better grades were relatively scarce and sold at prices which were about in line with the previous week's close. Trading on other calves was slow, and prices were weak to \$1 and more lower. Good slaughter calves cleared at \$16 to \$18, and most Good stocker steer calves sold at \$15 to \$18.

Hog marketings totaled an estimated 900, or 31% fewer than a week ago but 29% above the supply at the same time in 1955. Most offerings sold early; butchers brought prices that were steady to 25¢ per cwt. lower than in the latter part of the past week. No. 1 through No. 3 Grades of mixed 195- to 250-lb. slaughter hogs were quoted at \$16 to \$16.50, with most sales at \$16.25.

Monday's sheep and lamb receipts are estimated at 8,300, compared with 13,600 a week earlier and 10,000 on the corresponding date last year. Old-crop shorn lambs and yearlings accounted for almost half of the supply, and spring lambs comprised nearly 40%. Choice slaughter classes were very scarce. Trading was slow. Prices of shorn slaughter lambs and yearlings were 50¢ to \$1 per cwt. lower than on the previous week's market; other classes held mostly steady. Good and a few Choice slaughter spring lambs brought mainly \$18 to \$20.

P O U L T R Y

During the week ended Friday, June 15, the major Texas broiler markets opened fully steady and then gradually gained strength through mid-trading; late trading was steady in all the areas. Closing prices were 1¢ to 2¢ per lb. higher than in the preceding week. Friday's prices were: South Texas and Waco, 21¢, and east Texas, 20¢ to 22¢, mostly 21¢, per lb.

On Monday of this week, broiler markets were fully steady in south Texas and steady in east Texas and the Waco-Corsicana area. The following prices were quoted: South Texas, 21¢ to 22¢; east Texas, 21¢, with a few at 20¢; Waco, 21¢; Corsicana, at the farm, 20.5¢ to 21¢; and the Corsicana F.O.B. plant, 21.5¢ to 22¢ per lb.

	Area	Week ended June 9, 1956	Percentage change from	
			Previous week	Comparable week, 1955
BROILER CHICK				
	Texas.....	2,308,000	1	23
PLACEMENTS	Louisiana..	371,000	13	11
	22 states..	27,526,000	0	21

J. Z. Rowe
Agricultural Economist