



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 340

Wednesday, July 4, 1956

SOIL BANK PROGRAM IN OPERATION

Farmers in agricultural counties throughout the Nation are now in a position to take part in the 1956 Acreage Reserve Programs of the Soil Bank, according to the U. S. Department of Agriculture. Final instructions and regulations have been in the hands of the state and county ASC committee system for several days, and local adaptations to start the actual sign-up have been made. Producers in widely scattered areas have already signed agreements for program participation.

COTTON EXPORT FUNDS

Funds available under various programs for financing U. S. cotton exports in the current season total approximately \$329 million, reports the Agricultural Marketing Service. If fully used, these funds would finance about 1.9 million bales of cotton. However, according to the report, the volume of Government-financed exports this season probably will not exceed 1.5 million bales, or the equivalent of three-fourths of the season's estimated total. Agreements and purchase authorizations totaling approximately \$193 million are available for the purchase of cotton during the 1956-57 season.

FARM PRICES

The index of prices received by U. S. farmers as of June 15, 1956, is placed at 247% of the 1910-14 average, compared with 242 a month earlier and 241 at the same time last year, according to the AMS. Higher prices received for fruit, potatoes, and commercial vegetables were primarily responsible for the 2% increase from the mid-May level. The crop index rose 4% during the month ended June 15, while the livestock and livestock products index decreased less than 1/2 of 1%.

The parity index remained unchanged from mid-May, as increases in retail prices of family living items offset a decline in prices paid by farmers for production items. The index, at 286, was about 1% below the all-time high for June reached in 1952.

The parity ratio on June 15 was 86, or about 1% higher than both a month earlier and a year ago.

LIVESTOCK

An estimated 6,700 cattle were received at Fort Worth on Monday, July 2, or 800 fewer than a week earlier, reports the AMS. (The corresponding date in 1955 was the Fourth of July holiday.) Prices of all classes of cattle were about steady with the previous week's close. Most Good slaughter steers brought \$18 to \$19.50; beef cows, \$9.50 to \$11.50; Good stocker and feeder steers, practically all of which were yearlings, \$14.50 to \$16; and Medium and Good stocker heifers, \$11 to \$15 per cwt.

Monday's calf supply is placed at 1,300, compared with 1,200 a week ago. Trading on all classes was slow, and prices were weaker. Choice slaughter offerings sold at \$16 to \$17, and Good stocker steer calves cleared at \$15 to \$17 per cwt.

Hog marketings totaled an estimated 1,600, reflecting a 45% increase from the previous Monday's supply. Trading was very slow as a result of lower bids, and butchers sold mainly at prices which were 25¢ per cwt. lower than in the past week. Most No. 1 through No. 3 Grades of mixed 200- to 250-lb. slaughter hogs brought \$16.

Sheep and lamb offerings were an estimated 5,000, compared with 7,600 a week earlier. Trading was fairly active. Prices for slaughter yearlings were 50¢ to \$1 per cwt. higher than in the latter part of the past week, while those for other classes were steady. Good and Choice slaughter spring lambs were quoted at \$17 to \$19, mostly \$18, per cwt.

M E A T P R O D U C T I O N

Red meat production in the Nation during the first 5 months of 1956 totaled 11,180 million lbs., or 11% more than output during the corresponding period last year, according to the AMS. Beef production and pork production were up 11% each, and the output of veal, up 2%; however, the output of lamb and mutton was down 1%.

P O U L T R Y

The principal Texas broiler markets were steady during the week ended Friday, June 29, and trading was active as a result of fair to good preholiday demand, reports the State Department of Agriculture. Closing prices were unchanged to .5¢ per lb. higher than in the preceding week, with the following prices quoted: South Texas and Waco, 21¢, and east Texas, 20¢ to 21¢, mostly 21¢. During the corresponding week in 1955, closing prices were: South Texas and the Corsicana F.O.B. plant, 27¢; east Texas, 25¢ to 26¢; and Waco, 26¢.

The Texas broiler markets were steady on Monday of this week, and supplies were adequate for the fair to good demand. Prices per lb. were: South Texas, 21¢; east Texas and Corsicana, at the farm, 20¢ to 21¢; Waco, 20.5¢; and the Corsicana F.O.B. plant, 21¢ to 22¢.

	Area	Week ended June 23, 1956	Percentage change from	
			Previous week	Comparable week, 1955
BROILER CHICK				
	Texas.....	2,202,000	-6	21
PLACEMENTS	Louisiana..	415,000	2	31
	22 states..	27,292,000	-2	21

W O R L D M A N - M A D E F I B E R S

World production of man-made fibers in 1955 was a record 5,579 million lbs., reflecting an increase of 11% from the 1954 output. The total was comprised of 4,533 million lbs. of rayon, 484 million lbs. of acetate, and 562 million lbs. of noncellulosic man-made fibers. Compared with 1954, rayon output in 1955 was 12.5% larger, acetate production was up 7%, and the outturn of noncellulosic fibers was 35.5% greater. The United States ranks first in the production of rayon and acetate and accounted for a fourth of the total world output in 1955.

J. Z. Rowe
Agricultural Economist