AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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AGRICULTURAL OUTLOOK

According to the current issue of The Demand and Price Situation released by the U. S. Department of Agriculture, prices received by the Nation’s farmers in June and July were above those for the corresponding months in 1955 and, during the remainder of 1956, are expected to continue higher than the year-earlier levels. On the basis of current indications, crop output is expected to be smaller than in 1955. However, further expansion is in prospect for both domestic demand and foreign takings. According to the report, realized net farm income in the last half of 1956 appears likely to exceed the low level of a year earlier. The total net farm income this year is expected to be slightly larger than in 1955 and would be the first upturn since 1951.

COTTON

The supply of all kinds of cotton in the United States during the 1955-56 season totaled a record 26,031,000 bales, reports the Agricultural Marketing Service. The supply compares with 23,161,000 bales in the 1954-55 season and the previous record high of 23,570,000 bales in the 1939-40 season.

Disappearance of cotton in the Nation in the 1955-56 season is placed at 11,311,000 bales - the smallest in 8 years. Mill consumption amounted to 9,202,000 bales, and exports were 2,229,000 bales.

The U. S. carry-over of cotton on July 31 this year totaled 11,058,000 bales, according to a preliminary report of the Bureau of the Census. The total is 3,120,000 bales less than the 14,600,000-bale carry-over calculated from official figures of the 1955-56 supply and disappearance of cotton. The Bureau of the Census attributes a part of the imbalance between the 1955-56 supply and distribution to the unusually large volume of cotton "in transit" on July 31, 1956.

TEXAS PECAN CROP

The 1956 Texas pecan crop is forecast, as of August 1, at 26,800,000 lbs., or 29% below the 38,000,000 lbs. produced in 1955 and 12% less than the 10-year (1945-54) average. An infestation of the pecan nut casebearer and the continued severe drought dimmed the early prospects for an unusually good pecan crop.

LIVESTOCK

Cattle marketings at Fort Worth on Monday, August 27, are estimated at 6,500, according to the AMS. The supply compares with 6,200 a week earlier and 6,100 at the same time last year. Trading on most classes of cattle was fairly active, and prices were generally steady with those in the latter part of the past week. Good beef steers sold at $19 to $21; canner and cutter cows, $6.50 to $9.50; and Good stocker and feeder steers, $16 to $18 per cwt.

Monday’s calf receipts totaled an estimated 1,600, or 100 more than a week ago and 500 more than on the corresponding date in 1955. Supplies of both slaughter and stocker offerings of Good and better grades were limited, and prices were about steady. Trading on other classes of calves was slow, and prices were weak. Utility and Commercial calves brought $10 to $11, and Good steer calves which were sold for stockers and feeders cleared at $16 to $19.

Hog offerings are placed at 1,300, reflecting declines of 19% from the preceding Monday’s market and 7% from a year earlier. Trading was a little slow
in getting started, but moderate activity developed later in the day. Prices of barrows and gilts were steady to 25¢ per cwt. higher than in the latter part of the past week. Most mixed lots of U.S. No. 1 through No. 3 Grades of 200- to 260-lb. barrows and gilts brought $17 to $17.50 per cwt.

An estimated 4,500 sheep and lambs were received at Fort Worth on Monday of this week, or 50% more than a week ago and almost double the supply at the same time in 1955. Trading was slow in developing, and prices of slaughter lambs were 50¢ to $1 per cwt. lower than in the latter part of the preceding week. Good and Choice slaughter spring lambs sold mainly at $17 to $19.

POULTRY

During the week ended Friday, August 24, Texas commercial broiler markets followed a gradual strengthening trend through mid-trading and closed fully steady in most areas, according to the State Department of Agriculture. Closing prices were 1¢ to 2¢ per lb. higher than a week earlier, with the following prices quoted: South Texas, 20¢ to 21¢, mostly 21¢; east Texas, 20¢, with a few at 21¢; Waco and Corsicana, at the farm, 20¢; and the Corsicana F.O.B. plant, 21¢. During the corresponding period in 1955, closing prices were 27¢ in all the areas, although 28¢ at the Corsicana F.O.B. plant.

The major Texas broiler markets were steady on Monday of this week, with the following prices quoted: South Texas, 21¢, with a few loads at 20¢; east Texas, 20¢ to 21¢, mostly 20¢; Waco and Corsicana, at the farm, 20¢; and the Corsicana F.O.B. plant, 21¢ per lb.

<table>
<thead>
<tr>
<th>Area</th>
<th>Week ended August 18, 1956</th>
<th>Percentage change from Previous week</th>
<th>Comparable week, 1955</th>
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<tbody>
<tr>
<td>BROILER CHICK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Texas</td>
<td>1,976,000</td>
<td>0</td>
<td>18</td>
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<tr>
<td>PLACEMENTS</td>
<td></td>
<td>-12</td>
<td>-2</td>
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<tr>
<td>22 states</td>
<td>23,495,000</td>
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HATCHERY PRODUCTION

Commercial hatcheries in the United States produced 1,579,000 chicks during July, or 12% more than a year earlier and 50% more than the 5-year (1950-54) average for the month. Output during the January-July period this year amounted to 1,495,588,000 chicks, reflecting a 15% increase from the corresponding period in 1955. The demand for broiler chicks continues relatively strong, and a comparatively large August hatch is in prospect.

In Texas, commercial hatchery output in July this year totaled 9,038,000 chicks, which is 18% larger than in July 1955 and 51% above the 5-year average for the month. Production of broiler chicks accounted for 95% of the total hatch. During the first 7 months of 1956, the outturn of commercial hatcheries in Texas amounted to 78,886,000 chicks, compared with 63,573,000 in the corresponding months a year earlier.

J. Z. Rowe
Agricultural Economist