



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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FARM PRICES

The index of prices received by U. S. farmers declined 3% during the month ended August 15, 1956, reports the Agricultural Marketing Service. The index is placed at 237% of the 1910-14 average, compared with 244 in July and 232 in August 1955. Sharply lower prices received by farmers for potatoes and commercial vegetables, together with moderate declines in average prices received for cotton, fruit, and poultry, were responsible for the decrease from the mid-July level. The declines were only partially offset by substantial increases in prices received for cattle and hogs and by small increases for milk, wheat, and a number of other commodities.

The parity index (which reflects prices paid for commodities, plus interest, taxes, and wage rates) rose 1 point during the month ended August 15 to reach 288% of the 1910-14 average. Increases in prices of farm production goods were primarily responsible for the rise. Part of the price advances was offset by a slight decline in prices paid for family living items - principally food. The mid-August parity index was 3% higher than a year ago and equaled the previous all-time August high recorded in 1952.

The parity ratio on August 15 was 82, or 4 points lower than the 1956 high level reached in June and 1 point below August 1955.

COTTON QUOTA AND ACREAGE ALLOTMENT

On August 31 the Secretary of Agriculture proclaimed a national marketing quota of 11,014,493 bales and a national acreage allotment of 17,391,304 acres for the 1957 crop of upland cotton. In accordance with Section 302 of the Agricultural Act of 1956, the national acreage allotment is the same as for the 1956 crop. To be effective, the national marketing quota must be approved in a referendum to be held not later than December 15 this year.

LIVESTOCK

Cattle receipts at Fort Worth during the week ended Thursday, August 30, totaled an estimated 18,800, or about the same as in the previous week but 41% more than during the corresponding period in 1955, reports the AMS. As a result of the continued drought, cattle have been marketed at Fort Worth during the past several weeks that ordinarily would have been held until fall. Prices of slaughter steers and yearlings were unevenly steady to 50¢ per cwt. lower than in the preceding week, and those for stocker and feeder cattle were weak to 50¢ and more lower. Most Choice slaughter steers brought \$23 to \$25; Utility cows, \$9.50 to \$11; and most Good stocker and feeder yearling steers, \$16 to \$18.

The calf supply is placed at 5,400, reflecting increases of 10% from a week earlier and 74% from the corresponding period last year. Many of the slaughter calves were thin and showed evidence of having been in areas where supplies of milk, feed, roughage, and grass were short. Prices of calves ranged from firm to \$1 per cwt. lower than in the preceding week. Good slaughter calves sold at \$15 to \$17.50, and most Good stocker and feeder steer calves brought \$16 to \$18.50.

An estimated 3,300 hogs were received at Fort Worth during the week ended Thursday, August 30, compared with 4,000 in the preceding week and 2,600 during the

comparable period in 1955. Prices fluctuated moderately. The week's top price of \$17.75 per cwt. was paid for U. S. No. 1 and No. 2 Grades of 200- to 230-lb. barrows and gilts.

Sheep and lamb marketings are estimated at 11,300, or 1,200 more than a week earlier and 5,300 more than during the corresponding week last year. Trading on all slaughter classes was rather slow, and prices showed mixed trends. The supply of feeding and breeding stock was somewhat limited, and prices were fully steady to strong. Most Good and Choice spring lambs cleared at \$17 to \$19 per cwt.

The Fort Worth stockyards were closed for trading on Monday, September 3.

M I L K P R O D U C T I O N

Milk production in the Nation during the January-July period this year totaled 79 billion lbs., according to the AMS. The output compares with the previous high level of approximately 76.5 billion lbs. for the same months in both 1954 and 1955.

P O U L T R Y

During the week ended Friday, August 31, the major Texas commercial broiler markets opened steady but weakened at mid-trading, according to the State Department of Agriculture. The demand for broilers for Labor Day was below expectations, and the markets were generally unsettled at the close. Closing prices - which were unchanged to 2¢ per lb. lower than a week earlier - were: South and east Texas, 19¢ to 20¢; Corsicana, at the farm, 18.5¢; and Waco and the Corsicana F.O.B. plant, 19.5¢.

On Monday, September 3, Texas broiler markets were closed for the Labor Day holiday.

| | Area | Week ended August 25, 1956 | Percentage change from | |
|---------------|-------------|-------------------------------|------------------------|--------------------------|
| | | | Previous week | Comparable week, 1955 |
| BROILER CHICK | Texas..... | 1,875,000 | -5 | 16 |
| PLACEMENTS | Louisiana.. | 371,000 | 32 | 95 |
| | 22 states.. | 23,362,000 | -1 | 27 |

1 9 5 6 T U R K E Y C R O P

U. S. farmers are raising about 76 million turkeys this year, or about 16% more than in 1955, according to a preliminary estimate of the AMS. About 29% more heavy-breed turkeys are being raised than a year earlier, while the output of light breeds shows a decline of 19%.

In the states of the Eleventh Federal Reserve District (Arizona, Louisiana, New Mexico, Oklahoma, and Texas), the number of turkeys raised in 1956 is estimated at 5,643,000, compared with 4,007,000 a year ago. Of the total, 89% are heavy breeds, and 11% are light breeds.

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