



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 361

Wednesday, November 28, 1956

NATIONAL AGRICULTURAL OUTLOOK

The current issue of The Demand and Price Situation released by the U. S. Department of Agriculture points out that -

* The demand for farm products is likely to be maintained at a high level during 1957.

* A record export volume is in prospect for the 1956-57 season, which probably will reduce stocks of cotton, wheat, and rice.

* Crop output in 1957 is expected to be smaller than this year's production if farmers participate actively in the Soil Bank program. Hog marketings are likely to be smaller, but cattle slaughter is expected to continue at a high level.

* Some improvement in the general level of farm product prices is likely. However, the increase is expected to be small, reflecting prospects for a continued heavy supply situation for most farm products.

* Farm income is expected to show some further increase in 1957. Crop receipts may be reduced as a result of the impact of the Soil Bank on output of major crops, but payments for participation in the program are expected to maintain farmers' incomes from these commodities. Cash receipts from livestock and livestock products could show some increase. Farm production expenses are expected to be about the same as the 1956 level.

R I C E

On November 20 the Secretary of Agriculture announced the following actions on 1957-crop rice:

1. Proclaimed a national acreage allotment of 1,652,596 acres - the minimum permitted by law. The acreage allotments for 1957 for the rice-producing states in the Eleventh Federal Reserve District (and the final allotments for 1956) are: Arizona, 229 acres (229); Louisiana, 474,863 acres (475,094); Oklahoma, 149 acres (149); and Texas, 422,185 acres (422,390).

2. Proclaimed marketing quotas for the 1957 crop of rice.

3. Determined that the "certificate" or "two-price" marketing program authorized by the Agricultural Act of 1956 will not be in effect for the 1957 crop.

4. Set the minimum national average support price at \$4.43 per cwt., which is 80% of the current parity price. The support rate for 1956-crop rice is \$4.57 per cwt., or 82½% of parity.

5. Set December 11, 1956, as the date for a referendum to determine producer approval or disapproval of quotas.

L I V E S T O C K

Cattle marketings were moderate at Fort Worth on Monday, November 26, according to the Agricultural Marketing Service. The supply is estimated at 3,700, or about 800 fewer than both a week ago and a year earlier. Trading was more active than on any day in the previous week, and prices were generally steady. The

following prices were quoted: Choice steers and yearlings, \$20 to \$21.50; beef cows, mainly \$9 to \$11; and Common and Medium stocker and feeder steers, \$11 to \$14.

Monday's calf run totaled an estimated 1,000, reflecting an 11% increase from both a week earlier and the corresponding date in 1955. Prices were mostly fully steady with the past week's close. Good and Choice slaughter calves sold at \$14.50 to \$17, and Medium and Good stocker steer calves cleared at \$13 to \$18.

Hog offerings are placed at 1,000, compared with 900 on the preceding Monday's market and 750 at the same time last year. Trading was late in getting started as a result of higher asking prices. Slaughter hogs finally sold at prices which were 50¢ per cwt. higher than in the latter part of the past week. U. S. No. 1 through No. 3 Grades of 200- to 265-lb. butchers brought \$15.75 to mostly \$16.

Sheep and lamb receipts - at an estimated 6,500 - were the largest since early July this year. Lambs comprised more than 90% of the supply. Trading was slow, and prices of slaughter lambs were mostly 50¢ lower than in the latter part of the preceding week. Good and Choice 80- to 90-lb. woolled and shorn slaughter lambs with No. 1 and No. 2 pelts sold at \$17.50 to \$19 per cwt.

P O U L T R Y

Prices in the principal Texas commercial broiler markets followed a weakening trend during the week ended Friday, November 23, reports the State Department of Agriculture. Trading was hampered as broiler demand became slow during the Thanksgiving holidays. Closing prices were 2¢ to 2.5¢ per lb. lower than in the preceding week, with the following prices quoted: East Texas, 14¢ to 17¢, mostly 15¢ to 16¢, and Waco, 15.5¢ to 16¢, mostly 15.5¢. (No prices were reported for south Texas as marketings were too limited.) During the corresponding period in 1955, closing prices were: South Texas, a few at 20¢; east Texas, 17¢ to 20¢; and Waco, 19¢ to 20¢, mostly 19¢.

On Monday, November 26, broiler markets were about steady in south and east Texas and about steady to weak in Waco. The following prices were quoted: South Texas, 15¢ to 16¢; east Texas, 14¢ to 16¢, mostly 15¢ to 16¢; and Waco, 15¢ per lb.

	Area	Week ended November 17, 1956	Percentage change from	
			Previous week	Comparable week, 1955
BROILER CHICK PLACEMENTS	Texas.....	1,742,000	0	-3
	Louisiana..	292,000	26	-1
	22 states..	21,270,000	0	9

J. Z. Rowe
Agricultural Economist