



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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OUTLOOK FOR FARM INCOME

The realized net agricultural income of the Nation's farm operators is likely to show some further improvement this year, according to the current issue of The Farm Income Situation released by the U. S. Department of Agriculture. Realized net income in 1956 - at an estimated \$11.8 billion - was 4% higher than in the preceding year, or about the same increase as is expected for 1957.

Cash receipts from farm marketings are not likely to equal those of 1956; however, increased Government payments to farmers under the Soil Bank program probably will more than offset any reduction in marketing receipts, according to the report. Prices received by farmers are expected to remain fairly stable, but the volume of marketings may be smaller because of acreage cut-backs under the Soil Bank. Receipts from livestock and livestock products are likely to be somewhat higher than in 1956, while those from crops may be down substantially.

Farm production expenses may be slightly above the year-earlier level, reflecting increased interest and tax payments, together with higher depreciation charges on capital equipment.

DEFERRED GRAZING PROGRAM

On April 25 the President signed legislation authorizing an emergency deferred grazing program. The new law authorizes assistance to farmers and ranchers to reduce livestock grazing sufficiently to permit conservation and re-establishment of native grass damaged by the drought.

The following requirements must be met in order for a county to be eligible for participation in the deferred grazing program.

1. The county must be in a declared drought-disaster state.
2. Livestock grazing of native range land must be a substantial part of the agricultural economy of the county.
3. Deferred grazing must be determined by the Secretary of Agriculture as necessary for conserving native grass in the county.

The program will be administered by the State and County Agricultural Stabilization and Conservation Committees as a supplement to the Agricultural Conservation Program.

LIVESTOCK

Only limited supplies of cattle and calves were received at Fort Worth on Monday, April 29, and trading was fairly active on practically all classes, according to the Agricultural Marketing Service. The cattle run totaled an estimated 1,800, compared with 2,500 a week earlier and 5,100 on the corresponding date in 1956. Prices were mostly steady with the past week's close. The following prices were quoted: Good 575- to 750-lb. slaughter yearling steers, \$21 to \$23; most Utility cows, \$13 to \$14.50; and Medium stocker yearling steers, \$17 to \$18.50 per cwt.

Monday's calf marketings are estimated at 400, or 100 fewer than a week ago but about the same as on the comparable date last year. Most Choice slaughter calves brought \$23 to \$23.50, and Medium stocker steer calves cleared at \$17 to \$18.50.

Hog receipts, at an estimated 700, were 40% above those on the previous Monday's market but only half the supply on the comparable date in 1956. Trading on butcher hogs was active, and prices were strong to 25¢ per cwt. higher than in the latter part of the past week. No. 1 through No. 3 Grades of mixed 190- to 260-lb. slaughter hogs brought \$18.50 and \$18.75.

Monday's sheep and lamb offerings are placed at 8,200, compared with 7,100 a week ago and 10,900 a year earlier. Trading was very slow, and prices ranged from steady to \$1 lower than in the preceding week. Most of the Good and Choice and a few Prime 80- to 95-lb. slaughter spring lambs sold at \$23 and \$23.50.

P O U L T R Y

The principal Texas commercial broiler markets were steady throughout the week ended Friday, April 26, reports the State Department of Agriculture. Trading was especially heavy in south Texas, normal to heavy in east Texas, and normal in Waco. Closing prices - which were unchanged from a week earlier - were mostly 18¢ per lb. in all the areas. During the corresponding period in 1956, the following closing prices were quoted: South Texas, 22¢ to 23¢; east Texas, 21¢ to 22¢; and Waco, 21.5¢ to 22¢.

On Monday, April 29, broiler markets were steady in south Texas and weak in east Texas and the Waco-Corsicana area. Prices were: South Texas, 18¢; east Texas, 17¢ to 18¢, mostly 17¢; Waco, 17¢; and the Corsicana F.O.B. plant 18.5¢ per lb.

	Area	Week ended April 20, 1957	Percentage change from	
			Previous week	Comparable week, 1956
BROILER CHICK PLACEMENTS				
	Texas.....	2,009,000	-3	-9
	Louisiana..	377,000	12	6
	22 states..	27,215,000	1	0

H A T C H E R Y P R O D U C T I O N

Commercial hatcheries in the United States produced 250.1 million chicks during March, or the smallest output for the comparable month since 1948. The outturn was 11% below both a year earlier and the 1951-55 average for March. During the first quarter of this year, total chick production, at an estimated 584.4 million, was about 5% smaller than during the corresponding period in 1956, as a 25% decline in output of chicks for layers more than offset a 6% increase in broiler chick outturn.

In Texas, commercial hatchery production in March totaled 12.8 million chicks, of which almost two-thirds were for broilers. The output was 14% higher than in the previous month but 7% below the year-earlier level. During the January-March period this year, the outturn of chicks in the State is placed at 35.2 million, or 1% below production in the corresponding months in 1956.

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