AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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* JULY 21-27 IS NATIONAL FARM SAFETY WEEK! *
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PENALTY RATES FOR "EXCESS" COTTON

On July 5 the U. S. Department of Agriculture announced marketing quota penalty rates on 1957-crop "excess" cotton of 18.5¢ per lb. for upland cotton and 39.8¢ per lb. for extra-long staple varieties. The marketing quota penalty rate for upland cotton is 50% of the parity price as of June 15 of the calendar year in which the cotton is produced, and the penalty rate for extra-long staple cotton is either 50% of the parity price or 50% of the support price for such cotton as of June 15 whichever is higher.

When cotton marketing quotas are in effect, a farmer who does not comply with the acreage allotment established for the kind of cotton grown on his farm is subject to a penalty on the farm marketing excess. The cotton crop from such a farm is also ineligible for price support under the Commodity Credit Corporation loan program. Each type of cotton is treated independently; upland cotton cannot be substituted for extra-long staple varieties or vice versa.

EMERGENCY FEED GRAIN PROGRAM

An emergency feed grain program designed to maintain foundation herds of cattle, sheep, and goats in designated disaster areas was announced by the USDA on July 11. Under the program - which is similar to programs in effect in recent years - eligible farmers and stockmen in designated disaster areas may obtain Federal assistance amounting to $1 per cwt. on the purchase of feed grains. The grains must be used for the maintenance of foundation herds of cattle, sheep, and goats.

The program is designed to supply feed grains for disaster relief through regular trade channels. Purchase orders issued to eligible participants may be used for the purchase of barley, corn, grain sorghums, and oats as such or in approved feed mixes. Eligibility to receive assistance under the 1957 emergency feed grain program will be determined by county Agricultural Stabilization and Conservation (ASC) committees in disaster areas.

LIVESTOCK

A moderate run of 5,700 cattle arrived at Fort Worth on Monday, July 15, according to estimates of the Agricultural Marketing Service. The supply was 100 more than a week earlier but was 2,400 fewer than on the corresponding date in 1956. Trading on slaughter cattle was active, and prices ranged from steady to 50¢ per cwt. higher than in the previous week. Standard and Good slaughter yearling steers and heifers brought mainly $18 to $22; most Utility cows cleared at $13.50 to $14.50; and Medium and Good 550- to 750-lb. stocker and feeder steers sold mostly at $16.50 to $21.50.

In contrast to the moderate cattle supply, Monday's calf receipts of an estimated 1,700 were among the highest of the season. Trading on slaughter calves

was slow, and prices were about steady with the past week's low levels. The majority of the Good slaughter calves sold at $18.50 to $20.50, and Medium and Good stocker and feeder steer calves brought $17 to $22.

Hog marketings totaled an estimated 1,000 - down 100 from the previous Monday's receipts but about the same as a year ago. Trading was slow in getting under way as a result of higher asking prices. Slaughter hogs sold at prices which were 25¢ per cwt. higher than in the latter part of the past week, and quotations for sows were steady to strong. U. S. No. 1 through No. 3 Grades of mixed 195- to 250-lb. butchers brought a top price of $21.25 - the highest since June 1955.

The volume of sheep and lamb offerings continues to decline, and the quality of most lambs and yearlings is rather low. Monday's sheep and lamb supplies are placed at 3,600, reflecting declines of 22% from a week earlier and 14% from a year ago. Trading was fairly active, and all classes sold at prices which were fully steady with those in the previous week. Good and Choice 70- to 87-lb. slaughter spring lambs cleared at $19 to $20 per cwt.

MEAT PRODUCTION

Red meat production in the Nation's commercial slaughter plants during May 1957 totaled 2,163 million lbs., reflecting increases of 6% from a month earlier and 1% from a year ago, according to the AMS. On the other hand, meat output during January-May, at an estimated 10,761 million lbs., was 4% below the outturn in the corresponding period last year. Beef production was about the same as in the first 5 months of 1956; veal output was 1% higher; pork outturn was down 10%; and lamb and mutton production was 3% lower.

POULTRY

The Texas commercial broiler markets remained generally steady throughout the week ended Friday, July 12, reports the State Department of Agriculture. Trading was normal to heavy in east Texas and normal in the other areas. Closing prices were 22¢ per lb. in south Texas and 21¢ in east Texas and Waco. During the corresponding period in 1956, closing prices were 21¢ in all the areas.

On Monday of this week, broiler markets were steady in south Texas and the Waco-Corsicana area and were fully steady in east Texas. Prices per lb. were: South Texas, 22¢; east Texas, 21¢ to 22¢, mostly 21¢; Waco, 21¢; and the Corsicana F.O.B. plant, 22¢ to 22.5¢.

	Area	Week ended July 6, 1957	Percentage change from Previous week	Percentage change from Comparable week, 1956
BROILER CHICK PLACEMENTS	Texas.....	2,275,000	4	2
	Louisiana..	367,000	3	18
	22 states..	28,418,000	0	7

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