AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 397 Wednesday, August 7, 1957

AGRICULTURAL PRICES

The index of prices received by U. S. farmers rose 1% during the month ended July 15, according to the Agricultural Marketing Service. At 247% of the 1910-14 average, the index was about 2% above the year-earlier level and was the highest since August 1954. Higher prices received for meat animals, poultry, eggs, and dairy products were mainly responsible for the increase from mid-June; lower prices for fruit, feed grains, and hay were partially offsetting. The parity index (which reflects prices paid for commodities and services, plus interest, taxes, and wage rates) was slightly lower than a month earlier but was 3% higher than on the same date in 1956. The parity ratio rose to 84 - up 2% from mid-June but about 1% below that of a year ago.

RICE SUPPORT PRICE INCREASED

On August 1 the U. S. Department of Agriculture announced that the national average support price for 1957-crop rough rice will be $4.72 per cwt., or 82% of the current parity price. The national support price is 29¢ per cwt. higher than the advance "minimum" 1957-crop rice support price announced on November 20, 1956. The increase results from both a higher parity price for rice and an improvement in the rice supply situation since the minimum price was determined last fall. The support price for 1956-crop rice was $4.57 per cwt., or 82½% of parity.

CCC TO RELEASE COTTON

The USDA announced on August 1 that, upon request of the purchaser of cotton sold by the Commodity Credit Corporation under the 1957-58 Cotton Export Program, the CCC will draw drafts, accept payments, and deliver warehouse receipts, beginning August 8, 1957. None of the cotton sold under the program can be exported before August 16.

According to USDA officials, the earlier release of the cotton (beginning on August 8) will help alleviate the congestion which would result in banks and warehouses if such action were delayed until August 16. In addition, the earlier release will (1) expedite shipment of cotton sold under the program, (2) make warehouse space available for new-crop cotton at an earlier date, and (3) otherwise assist the industry in merchandising the cotton. The purchasers are not required to take delivery of the cotton before August 16 but will be permitted to do so if they consider it desirable.

FROZEN POULTRY STOCKS

Total U. S. frozen poultry stocks at the end of June were 6% below the month-earlier level but were 59% above those on the same date in 1956, reports the AMS. Frozen broiler and fryer holdings were 3% higher than at the end of May but were 6% lower than a year ago. Frozen turkey supplies (which accounted for almost half of the total poultry stocks) declined 7% from the previous month but were more than double last year's stocks and were 80% above the 5-year (1952-56) average holdings for the end of June.

POULTRY

During the week ended Friday, August 2, the principal Texas commercial broiler markets opened steady but were generally unsettled at the close, reports
the State Department of Agriculture. The following closing prices were quoted: South Texas, 21¢ to 22¢, mostly 22¢; east Texas, 20¢ to 22¢, mostly 21¢; and Waco, 21¢ per lb. (Prices at the Corsicana F.O.B. plant were not available.) During the corresponding period in 1956, closing prices were: South Texas, 20¢ to 21¢, mostly 20¢ to 20.5¢; east Texas, 20¢ to 21¢; Waco, 20¢ to 20.5¢, mostly 20.5¢; and the Corsicana F.O.B. plant, 21.5¢ to 22¢.

On Monday, August 5, the Texas commercial broiler markets were weak to about steady, with the following prices quoted: South Texas, 21¢ to 22¢; east Texas, 20¢ to 21¢, mostly 21¢; Waco, 21¢; and the Corsicana F.O.B. plant, 22.5¢.

<table>
<thead>
<tr>
<th>BROILER CHICK PLACEMENTS</th>
<th>Area</th>
<th>Week ended July 27, 1957</th>
<th>Percentage change from Previous week, Comparable week, 1956</th>
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<tr>
<td></td>
<td>Texas.........</td>
<td>2,009,000</td>
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<td></td>
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**L I V E S T O C K**

Cattle receipts at Fort Worth on Monday, August 5, are placed at 4,900, or about 40% above the previous week's record-small supplies but 17% below the year-earlier level, according to the AMS. Stocker cattle made up the greater share of the receipts, as supplies of slaughter cattle were very limited. Prices of slaughter steers were mostly steady, while those for stockers and feeders ranged from fully steady to strong. The small supply of Good and Choice 840- to 1,160-lb. slaughter steers sold at $22.50 to $24; Utility and Commercial cows, mainly $13 to $14; and most of the Good and Choice stocker steers weighing under 700 lbs., $22 to $23.

Monday's calf marketings totaled an estimated 900, compared with 800 a week earlier and 1,600 on the corresponding date last year. Prices of slaughter calves were about unchanged from those in the latter part of the preceding week. Most Good slaughter calves cleared at $18.50 to $21, and the major part of the Good and Choice stocker calves were quoted at $22 to $23.

Hog receipts, at an estimated 1,300, were 600 more than on the previous Monday's market but were 100 fewer than a year ago. After a late start, butcher hogs and sows sold at prices which were steady to 25¢ per cwt. higher than in the latter part of the past week. U. S. No. 1 through No. 3 Grades of 200- to 250-lb. barrows and gilts brought $22.50 to mostly $22.75.

Sheep and lamb offerings totaled approximately 1,900, reflecting declines of 10% from a week ago and 62% from a year earlier. Prices of slaughter spring lambs were steady to strong. The limited supply of Good and Choice 75- to 90-lb. slaughter spring lambs brought $21 to $22 per cwt.

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