



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 410

Wednesday, November 6, 1957

1958 - CROP PEANUTS

On October 28 the Acting Secretary of Agriculture announced a national allotment of 1,610,000 acres of 1958-crop peanuts for picking and threshing and a marketing quota of 826,000 tons. Both the national acreage allotment and the marketing quota for the 1958 crop are at the levels required by law. Acreage allotments for the states in the Eleventh Federal Reserve District (and comparisons with the 1957 allotments) are: Arizona, 719 acres (717); Louisiana, 1,968 acres (1,963); New Mexico, 4,918 acres (4,906); Oklahoma, 137,668 acres (137,323); and Texas, 355,955 acres (355,063).

In a referendum on December 11, 1956, peanut growers approved marketing quotas for the 1957, 1958, and 1959 crops of peanuts. Price supports will be available at a level between 75% and 90% of parity in 1958 and 1959, depending upon the supply at the beginning of the marketing year (August 1). Marketing quotas have been in effect for peanuts continuously since 1949.

AGRICULTURAL PRICES

The index of prices received by U. S. farmers declined 2% during the month ended October 15, 1957, reports the Agricultural Marketing Service. Lower prices for most meat animals, oranges, corn, and cotton were primarily responsible for the decrease. Higher prices for dairy products and eggs were only partially offsetting. The mid-October index, at 240% of the 1910-14 average, was 3% above the year-earlier level.

The October 15 parity index (which reflects prices paid for commodities and services, plus interest, taxes, and wage rates) is placed at 296 - unchanged from mid-September but 3% higher than a year ago. Prices paid for family living items declined slightly during the month, while prices paid for production goods were unchanged. The farm wage index advanced 2% to a new all-time high of 565% of the 1910-14 average.

The parity ratio at mid-October was 81, reflecting a 2% decrease from a month earlier but was the same as the year-ago figure.

LIVESTOCK

Livestock marketings at Fort Worth on Monday, November 4, were comparatively small, probably as a result of considerable rain which fell throughout Texas during the past week end, reports the AMS. Cattle receipts totaled an estimated 3,000, or 500 fewer than a week ago and 200 below the year-earlier figure. Prices ranged from weak to fully steady, with the following prices quoted: Good 800- to 1,050-lb. slaughter steers, \$20 to \$21.50; Utility cows, \$13 to \$14.50; and Medium and Good 525- to 725-lb. stocker and feeder steers, \$16.50 to \$21.

The calf supply, at an estimated 1,400, was 30% below that of a week earlier but was 75% above the level on the corresponding date in 1956. Good grades of slaughter calves brought \$20 to \$21, and stocker and feeder steer calves cleared at \$20 to \$23.

Monday's hog receipts are placed at 800 - about the same as a week ago but approximately double the year-earlier supply. Trading was slow in getting under way because of lower bids; however, prices later in the day were fully steady with

those in the latter part of the past week. Mixed U. S. No. 1 through No. 3 Grades of 195- to 270-lb. barrows and gilts sold at \$17.50 to \$18 per cwt.

Sheep and lamb offerings totaled about 550, compared with 1,200 on the previous Monday's market and 1,000 on the comparable date last year. Prices for all classes of sheep and lambs were steady. The limited supply of Good and Choice 80- to 90-lb. slaughter lambs brought \$20.75 to \$22.

D A I R Y O U T L O O K

Milk production on the Nation's farms is likely to show its sixth consecutive annual increase in 1958, rising 1 to 2 billion lbs. above the record 127 billion lbs. in prospect for 1957, according to The Dairy Situation recently released by the U. S. Department of Agriculture. Prices paid to farmers are expected to continue at current levels (allowing for season variation) through at least March 1958 - the end of the current marketing year. Prices for the 1958-59 marketing year will be influenced by the level of supports to be announced before March 31, 1958. With an increase in milk production likely and smaller quantities used in farm households, cash receipts from dairy products in 1958 may reach a new record high, if prices continue at present levels. According to the report, net returns from dairying could increase in 1958, since the average of all costs of production, including feed, may not change significantly.

P O U L T R Y

The major Texas commercial broiler markets were weak during the week ended Friday, November 1, according to the State Department of Agriculture. Closing prices, which were mainly 2¢ per lb. lower than in the previous week, were: South Texas, 16¢; east Texas, 14¢ to 16¢, mostly 15¢; and Waco, 15¢. During the corresponding period in 1956, closing prices were 15¢ in south Texas and Waco and were 14¢ to 16.5¢, mostly 15¢, in east Texas.

On Monday, November 4, broiler markets were weak to barely steady in south Texas and were unchanged in east Texas and the Waco-Corsicana area. Prices per lb. were: South Texas, 15¢ to 16¢; east Texas, 15¢, with a very few lower and higher; Waco, 15¢; and the Corsicana F.O.B. plant, 16¢.

	Area	Week ended October 26, 1957	Percentage change from	
			Previous week	Comparable week, 1956
BROILER CHICK				
PLACEMENTS	Texas.....	1,599,000	-18	-9
	Louisiana..	268,000	-25	16
	22 states..	23,256,000	-2	11

L O A N S T O F A R M E R C O - O P S R I S E

During the fiscal year ended June 30, 1957, farmers' marketing, purchasing, and service cooperatives throughout the United States obtained approximately \$580 million in loans, or 3% above the year-earlier level, from 13 banks for cooperatives, according to a recent report of the Farm Credit Administration. The number of loans made advanced to 1,780, reflecting a 9% increase from the previous fiscal year.

J. Z. Rowe
Agricultural Economist