



# AGRICULTURAL NEWS OF THE WEEK

## FEDERAL RESERVE BANK OF DALLAS

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### FARM PRODUCTION COSTS UP

Prices paid by U. S. farmers for goods and services used in production were at a record-high level during the first 10 months of 1957, and the average for the year is expected to be about 4% above that in 1956, according to the Agricultural Research Service. Seed and feed (which were down 4% and 5%, respectively) are the only major farm-production cost items that have not shown a net increase in price during the past year. The following table shows percentage increases from a year earlier in cost rates and prices paid for the principal groups of production items.

| <u>Item</u>  | <u>Percentage increase</u> |
|--|----------------------------|
| <u>Cost rates</u>                                  |                            |
| Farm real estate taxes per acre.....               | 5                          |
| Wage rates (October 1).....                        | 3                          |
| <u>Prices paid</u>                                 |                            |
| Feeder livestock (October 15).....                 | 18                         |
| Farm real estate (July 1).....                     | 8                          |
| Motor vehicles (September 15).....                 | 6                          |
| Farm machinery (September 15).....                 | 6                          |
| Farm supplies (September 15).....                  | 4                          |
| Building and fencing materials (September 15)..... | 3                          |
| Motor supplies (September 15).....                 | 2                          |
| Fertilizer (September 15).....                     | 1                          |

According to the ARS, farm property taxes (per acre), interest rates, and prices paid for farm machinery, motor vehicles, and farm real estate, fencing materials, fertilizer, and some farm supplies are expected to be slightly to moderately higher in 1958 than they have been in 1957. Prices paid for feeder livestock may be about the same as this year, while those paid for feed and seed probably will average somewhat lower.

### 1958 ACREAGE RESERVE PROGRAM

The Secretary of Agriculture recently announced the following national average per-acre payment rates for "allotment" land placed in the 1958 Acreage Reserve, comparisons with rates in effect this year, and 1958 crop goals.

| <u>Crop</u>      | <u>1958 rate (Per acre)</u> | <u>1957 rate (Per acre)</u> | <u>1958 Acreage goal (Acres)</u> |               |
|------------------|-----------------------------|-----------------------------|----------------------------------|---------------|
| Wheat.....       | \$20.88                     | \$20.04                     | 4,500,000                        | to 5,500,000  |
| Cotton (upland). | 58.95                       | 54.15                       | 2,700,000                        | to 3,700,000  |
| Corn.....        | 44.46                       | 42.66                       | 4,000,000                        | to 5,000,000  |
| Rice.....        | 67.79                       | 63.18                       | 170,000                          | to 210,000    |
| Tobacco (total). | -                           | -                           | 90,000                           | to 135,000    |
| TOTAL GOALS..... |                             |                             | 11,460,000                       | to 14,545,000 |

## L I V E S T O C K

Livestock marketings at Fort Worth on Monday, December 2, showed a marked expansion over the week-earlier pre-Thanksgiving holiday trade, according to the Agricultural Marketing Service. Cattle receipts totaled an estimated 2,900, or more than double the previous Monday's supply but only about two-thirds of the year-ago figure. Prices for most classes of slaughter cattle were about unchanged to 50¢ per cwt. lower than in the preceding week, while those for stockers and feeders were generally fully steady. Standard and Good 750- to 1,115-lb. slaughter steers and yearlings cleared at \$19 to \$22; Canner and Cutter cows, \$10.50 to \$14; and Good 550- to 725-lb. stocker steers, \$22.25 to \$22.50.

The calf run is placed at 1,000, which is more than triple the week-ago level but is 500 fewer than on the corresponding date in 1956. Prices of slaughter calves were fully steady. Several lots of mostly Choice 425- to 650-lb. killing calves and yearlings brought \$23 to \$23.50, and Good and Choice 400- to 475-lb. stocker steer calves sold rather freely at \$23.50 to \$25.

Monday's hog receipts totaled approximately 1,000, compared with 500 a week earlier and 1,100 a year ago. After a slow start, butcher hogs sold at prices which were steady to 25¢ per cwt. higher than in the preceding week. Mixed U. S. No. 1 through No. 3 Grades of 195- to 260-lb. barrows and gilts were quoted at \$17.75 and \$18.

Sheep and lamb offerings, at an estimated 1,200, were four times as large as on the preceding Monday's market but were only about one-third of the year-ago supply. Slaughter lambs accounted for about 65% of the receipts; and yearlings, old wethers, and goats made up most of the remainder. Trading was fairly active, and prices were fully steady to strong. Utility to Choice (mostly Good and Choice) 85- to 95-lb. woolled and shorn slaughter lambs sold at \$21.50 and \$22.

## W O R L D M I L K O U T P U T

A 1% rise in world milk production in 1957 is forecast on the basis of reports from the 22 primary dairy countries which normally account for over 60% of the world's supply. These countries are expected to produce 385 billion lbs. of cow's milk, compared with 380 billion lbs. in 1956.

## P O U L T R Y

On Monday, December 2, broiler markets were about steady in south Texas, unchanged pricewise in east Texas, and unsettled in the Waco-Corsicana area, reports the State Department of Agriculture. Trading was active in south Texas, normal in east Texas, and moderate in the Waco-Corsicana area. The following prices per lb. were quoted: South Texas, mostly 17¢; east Texas, mainly 16¢ to 17¢; Waco, 16.5¢; and the Corsicana F.O.B. plant, 17¢.

|               | Area        | Week ended<br>November 23, 1957 | Percentage change from |                          |
|---------------|-------------|---------------------------------|------------------------|--------------------------|
|               |             |                                 | Previous<br>week       | Comparable<br>week, 1956 |
| BROILER CHICK |             |                                 |                        |                          |
| PLACEMENTS    | Texas.....  | 1,797,000                       | -1                     | 12                       |
|               | Louisiana.. | 292,000                         | 9                      | 13                       |
|               | 22 states.. | 24,485,000                      | 0                      | 11                       |

J. Z. Rowe  
Agricultural Economist