



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 423

Wednesday, February 5, 1958

STATE ALLOCATIONS FOR RICE

The U. S. Department of Agriculture recently announced state allocations of funds for the 1958 rice Acreage Reserve program. The action, which was taken because of larger than anticipated initial interest in the program, will permit State Agricultural Stabilization and Conservation (ASC) committees to make a check of agreements offered during the first week of the sign-up against these allocations, according to USDA officials.

The table below shows allocations for the 1958 rice Acreage Reserve and commitments under the 1957 program for states in the Eleventh Federal Reserve District.

<u>State</u>	<u>1958 Allocations</u>	<u>1957 Commitments</u>
Louisiana...	\$2,302,000	\$2,436,858
Oklahoma....	5,500	7,897
Texas.....	3,148,300	4,203,048

AGRICULTURAL PRICES

The index of prices received by the Nation's farmers rose 2% during the month ended January 15, 1958, reports the Agricultural Marketing Service. Sharply higher prices for commercial vegetables and moderately higher prices for meat animals were primarily responsible for the gain. Decreases in prices for eggs, dairy products, cotton, and corn were only partially offsetting. The index, at 247% of the 1910-14 average, was almost 4% above the year-earlier level and was only slightly below the 1957 peak of 248 reached in August.

The mid-January parity index (which reflects prices paid for commodities and services, plus interest, taxes, and wage rates) was an all-time high of 301. The increase in farm real estate taxes and the advance in prices of feeder livestock were mainly responsible for the gain from the December 15 index, although increases in mortgage interest and in farm wage rates also were contributing factors.

The parity ratio is placed at 82, or 1% above the month-earlier figure but the same as in January 1957.

CONSERVATION RESERVE SIGNUP

Slightly over 1.1 million acres of U. S. cropland had been placed in the 1958 Conservation Reserve Program through January 10, according to preliminary reports of State ASC committees. The acreage was more than double that signed through the same period last year for the 1957 program. Farmers can earn an estimated \$10.9 million in practice payments (up to 80% of the cost of establishing such practices) for carrying out soil and water conservation practices or wildlife habitat improvement measures on the land for which contracts have been signed under the 1958 Conservation Reserve Program. If they remain in compliance with the program, they will receive an estimated \$10.2 million in annual payments during each of the years their conservation contracts are in force. The acreage signed under the 1958 Conservation Reserve is in addition to the 6.5 million acres placed in the program during the 1956 and 1957 sign-up periods. The deadline for signing 1958 Conservation Reserve contracts is April 15.

In the states of the Eleventh Federal Reserve District (Arizona, Louisiana, New Mexico, Oklahoma, and Texas), 245,269 acres had been placed under the 1958 Conservation Reserve Program through January 10. Practice payments for this acreage

are estimated at about \$2.4 million, and annual payments are placed at about \$2.8 million.

P O U L T R Y

During the week ended Friday, January 31, the principal Texas commercial broiler markets opened steady but declined at midtrading, points out the State Department of Agriculture. Closing prices ranged from $\frac{1}{2}$ ¢ to 3¢ per lb. lower than in the preceding week, with the following prices quoted: South Texas, 22¢ to 23¢; east Texas, 21¢ to 22¢, with several loads at 19¢; and Waco, 21 $\frac{1}{2}$ ¢. During the corresponding period in 1957, closing prices were mostly 20¢ per lb. in all the areas.

On Monday, February 3, broiler markets were weak in south Texas and Waco and were unsettled in east Texas. Prices per lb. were: South Texas, 21¢; east Texas, 20¢ to 21 $\frac{1}{2}$ ¢; and Waco, 20 $\frac{1}{2}$ ¢ to 21¢.

	Area	Week ended January 25, 1958	Percentage change from	
			Previous week	Comparable week, 1957
BROILER CHICK PLACEMENTS				
	Texas.....	2,188,000	8	-3
	Louisiana..	372,000	7	23
	22 states..	28,415,000	6	12

L I V E S T O C K

Livestock marketings at Fort Worth were comparatively small on Monday, February 3, states the AMS. Cattle receipts, at an estimated 1,700, were 41% below the week-earlier level and 37% fewer than a year ago. Trading on some classes of slaughter cattle was delayed because of higher asking prices, and a clearance was not made until late in the day. On the other hand, trading on stocker and feeder cattle was moderately active, and prices generally were fully steady with those in the preceding week. Good 800- to 1,050-lb. slaughter steers sold at \$23.50 to \$24.50; most Utility cows, \$16 to \$17; and Medium and Good 550- to 750-lb. stocker and feeder steers, \$18.50 to \$24.50 per cwt.

The calf run totaled 400, which is about one-half of the previous Monday's offerings and two-thirds of the receipts on the corresponding date in 1957. Slaughter calves weighing under 500 lbs. sold at prices which were strong to 50¢ higher than in the previous week, while others were weak to 50¢ lower. Good and Choice slaughter calves cleared at \$24 to \$26.50, and Good stocker and feeder steer calves were quoted at \$24 to \$27.

The hog supply is placed at 600, compared with 800 a week earlier and 1,300 a year ago. Trading was slow in getting under way as a result of sharply lower bids. Prices of butchers were 50¢ to 75¢ lower than in the latter part of the past week, while those for sows were steady. Mixed U. S. No. 1 through No. 3 Grades of 195- to 250-lb. barrows and gilts brought \$20.25 and \$20.50.

Sheep and lamb receipts are estimated at 1,900, or 200 more than a week earlier but 1,700 fewer than on the comparable date last year. Prices ranged from steady to \$1 per cwt. lower than at the preceding week's close. The small supplies of Good and Choice milk-fed lambs were quoted at \$23 and \$23.50, and Choice woolled slaughter lambs brought \$23.

J. Z. Rowe
Agricultural Economist