



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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AGRICULTURAL PRICES

The index of prices received by farmers in the United States advanced 2% during the month ended at mid-February to the highest level since May 1954, according to the Agricultural Marketing Service. Substantially higher prices for meat animals, oranges, snap beans, and potatoes were primarily responsible for the increase. Lower prices for cotton, eggs, and milk were only partially offsetting. The index, at 252% of the 1910-14 average, was 8% above the year-earlier level.

The parity index (which reflects prices paid for commodities and services, plus interest, taxes, and wage rates) reached a record of 302 on February 15. Prices paid for both living and production goods increased from mid-January, primarily as a result of moderate gains in food prices and further substantial increases in feeder livestock prices. The February index was 3% above that of a year ago.

The parity ratio is placed at 83, reflecting increases of 1% from the January 15 figure and 3% from the corresponding date in 1957.

CANCELLATION DATES EXTENDED

Farmers who have made applications for participation in the 1958 Acreage Reserve for corn, cotton, and spring wheat may cancel applications through March 28, reports the U. S. Department of Agriculture. (February 20 was the previous deadline for cancellation of these crops.) The final date for cancelling applications for 1958-crop rice and tobacco was March 7.

RECORD WORLD COTTON CONSUMPTION

World cotton consumption in the 1956-57 season was an all-time high of 42 million bales, compared with 40.4 million in the previous season, according to the International Cotton Advisory Committee. During the past 5 seasons, world consumption increased more than 7 million bales, which is an average annual increase of 1.5 million bales.

On the other hand, the decline in per capita consumption of cotton textiles in the United States has more than offset the increase in population. The I.C.A.C. points out that during the first 5 months of the 1957-58 season, cotton consumption in this country decreased about 6% from the 1956-57 level and for the entire season is likely to total only approximately 8 million bales, or near the lowest point for the post-World War II period.

DAIRY OUTLOOK

According to the current issue of The Dairy Situation released by the USDA, total milk production in the Nation during 1957 set a new record for the fifth consecutive year of 126.4 billion lbs., and a gain of around 1 billion lbs. is likely in 1958. The number of milk cows declined 2% in 1957 (the twelfth decrease in the past 13 years), but production per cow rose to an all-time high of 6,162 lbs.

The report points out that a further decline in the number of milk cows is likely this year as the number of farms keeping milk cows continues to decrease. On the other hand, the average herd size is expected to increase, and production per cow probably will continue to rise as farmers improve their stock, use higher quality roughages, and feed larger quantities of concentrate feeds.

Cash receipts from the sale of milk and cream in 1958 may be somewhat lower than in 1957, since the prospective increase in volume of milk sold by farmers probably will be more than offset by a decrease in prices. Feed costs are expected to continue lower, while other costs probably will hold at 1957 levels. As a result, the reduction in net income from the dairy enterprise may be less than indicated by the prospective decrease in prices, according to the USDA.

L I V E S T O C K

The rather limited supplies of cattle and calves offered at Fort Worth on Monday, March 10, showed little change from the numbers available a week ago but were sharply below the year-earlier level, states the AMS. The cattle run totaled about 1,800, compared with 2,100 on the preceding Monday's market and 2,600 on the corresponding date in 1957. Prices generally were fully steady to strong as compared with the latter part of the past week, with the following prices per cwt. quoted: Standard and Good 765- to 1,050-lb. slaughter steers, \$23.50 to \$26.50; Utility and Commercial cows, mostly \$18 to \$19.50; and Medium and Good 400- to 700-lb. stocker steers, \$25 to \$26.50.

Calf marketings totaled an estimated 400, or about the same as a week earlier but 300 fewer than a year ago. Good and Choice slaughter calves brought \$26 to \$27.25, and Medium and Good stocker calves sold at \$25 to \$26.50.

Hog receipts are placed at 700, which is 40% more than a week ago but 22% below the supply on the comparable date last year. Butcher hogs sold at prices which were steady to 25¢ per cwt. higher than in the latter part of the preceding week, and prices for sows were steady to 50¢ higher. No. 2 and No. 3 Grades of 195- to 250-lb. barrows and gilts cleared at \$21 and \$21.25.

Sheep and lamb offerings, at an estimated 4,400, were the largest since July 1957. Trading was slow. Prices of slaughter lambs were 25¢ to 50¢ per cwt. lower than in the previous week, while those for other classes were steady to weak. Good and Choice 85- to 100-lb. shorn slaughter lambs with No. 1 and fall-shorn pelts brought \$22 to \$22.50.

P O U L T R Y

The Texas commercial broiler markets held generally steady during the week ended Friday, March 7, reports the State Department of Agriculture. Closing prices which were unchanged in east Texas and Waco but were 1¢ to 2¢ per lb. lower in south Texas - were 21¢ to 22¢, mostly 22¢, in south Texas and 21¢ in east Texas and Waco. During the corresponding period in 1957, closing prices were 21¢ in all these areas.

The Texas broiler markets remained steady on Monday, March 10, and prices were mainly unchanged from the preceding Friday's close.

	Area	Week ended March 1, 1958	Percentage change from	
			Previous week	Comparable week, 1957
BROILER CHICK				
PLACEMENTS	Texas.....	2,340,000	-1	20
	Louisiana..	484,000	-5	21
	22 states..	30,041,000	0	17

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