Wheat Prices

On July 1 the U.S. Department of Agriculture announced that, because of an increase in the wheat parity price, the national average support price to producers for 1958-crop wheat will be raised to $1.82 per bushel, which is an increase of 4¢ per bushel above the "advance" minimum price announced prior to the planting of the 1958 crop. The price compares with the national average support of $2 per bushel for 1957-crop wheat.

According to the USDA, the seasonal decline in national wheat prices this year probably will be greater than usual because (1) the crop is considerably larger than anticipated domestic use and exports, (2) the price support rate has been reduced from the 1957 level, and (3) production on farms not eligible for price support is unusually large. As in recent years, prices are expected to strengthen after the heavy movement slackens following harvest. However, prices of hard red winter wheat may not increase as much as usual. "Free" supplies are expected to remain large during the 1958-59 marketing year as a result of the unusually large output of this class of wheat on farms which are not in compliance with acreage allotments. Wheat on such farms is not eligible for price support and will be sold on the open market following harvest unless it is stored for future sale.

New Forest Fire Research Lab

The USDA recently announced that the Forest Service plans to build a research laboratory at Missoula, Montana, to work on new and improved methods of controlling forest fires. The laboratory, to be named the Northern Forest Fire Laboratory, will contain facilities which will permit testing (under various atmospheric conditions) the flammability of different types of fuel found in forests and on ranges. New suppression methods also can be tried out under varying conditions. The laboratory plans to work closely with private, State, and Federal forest protection agencies.

More Milk Available to Children

On July 1 the President signed into law a bill authorizing continuation of the Special Milk Program for another 3 years, terminating June 30, 1961. The legislation authorizes an expenditure of $75 million in each of these years for operation of the program to increase consumption of milk by children. The USDA will continue to operate the Special Milk Program. Preliminary data show that, during the fiscal year ended June 30, 1958, more than 75,000 schools and institutions participated in the program, serving nearly 2 billion half pints of milk to children. This total is in addition to milk served children under the National School Lunch Program.

Poultry Meat Consumption Up

Consumption of poultry meat (ready-to-cook basis) in the Nation during 1958 is forecast by the USDA at 31.6 lbs. per person. This would be 1/10 of a lb. larger than in the previous year and 5 lbs. more than in 1955. Total red and poultry meat consumption is forecast at 183 lbs. per person, reflecting a decrease of almost 7 lbs. from 1957. All of the decline in total meat consumption from year-earlier levels is resulting from a decrease in the forecast in red meat output (beef, veal, lamb and mutton, and pork).
During the trading week ended Thursday, July 3, the Texas commercial broiler markets held unchanged pricewise, although the general market tone at the close was barely steady, according to the State Department of Agriculture. The preholiday trading was extra heavy in south Texas, heavy in east Texas, and about normal in Waco. Closing prices were mainly 21¢ per lb. in all these areas, with a very few 1¢ lower in east Texas. During the corresponding week last year, closing prices were 22¢ in south Texas and 21¢ in east Texas and Waco.

The Texas commercial broiler markets were weak on Monday, July 7. The following prices were quoted: South Texas, 20¢, with a few at 21¢; east Texas, 19½¢ to 21¢, mostly 20¢; and Waco, 20¢.

<table>
<thead>
<tr>
<th>Area</th>
<th>Week ended June 28, 1958</th>
<th>Percentage change from Previous week, 1958</th>
<th>Comparable week, 1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>BROILER CHICK PLACEMENTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Texas.....</td>
<td>2,969,000</td>
<td>-2</td>
<td>35</td>
</tr>
<tr>
<td>Louisiana..</td>
<td>450,000</td>
<td>-13</td>
<td>26</td>
</tr>
<tr>
<td>22 states..</td>
<td>35,519,000</td>
<td>-2</td>
<td>21</td>
</tr>
</tbody>
</table>

Livestock marketings at Fort Worth on Monday, July 7, were sharply curtailed as a result of heavy rains over most of Texas during the past week, reports the Agricultural Marketing Service. Cattle receipts totaled an estimated 1,800, compared with 3,700 a week earlier and 5,600 a year ago. Trading was active on all classes, and prices ranged from steady to $1 per cwt. higher than in the latter part of the preceding week. Most Good 600- to 1,000-lb. slaughter steers sold at $26.50 to $27.50; Utility cows, $18.50 to $20; and Good 550- to 750-lb. stocker and feeder steers, $25 to $27.

The calf run is placed at 500, or 200 fewer than on the previous Monday and 600 below the year-earlier figure. Prices were 50¢ to $1 higher than in the latter part of the past week. The bulk of the Good slaughter calves cleared at $26.50 to $28, and Medium and Good stocker and feeder steer calves were quoted at $24 to $31.

Monday's hog receipts totaled about 500, reflecting declines of 37% from a week ago and 55% from the corresponding date in 1957. Prices for butcher hogs were steady to 25¢ lower than in the latter part of the previous week, reflecting mainly heavy receipts in Corn Belt markets. U. S. mixed No. 1 through No. 3 Grades of 195- to 240-lb. barrows and gilts sold at $24.50.

Sheep and lamb supplies are estimated at 1,700, compared with 3,900 a week earlier and 4,600 a year ago. Spring lambs comprised about 45% of the offerings; yearlings, 45%; and old ewes and goats, 10%. Prices were strong to $1 higher than in the latter part of the past week. The limited shipments of Utility, Good, and Choice 75- to 85-lb. slaughter spring lambs were quoted at $22.50 to $23.

Red meat output in the United States during January-May totaled 9,919 million lbs., or 8½% less than during the corresponding months of 1957, points out the AMS. Beef outturn was down 10% from a year ago; veal production, 20%; pork output, 4%; and lamb and mutton outturn, 3%.

J. Z. Rowe
Agricultural Economist