



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 507

Wednesday, September 16, 1959

## LAND BANKS LOAN RECORD AMOUNT

The Nation's farmers borrowed a record \$574 million from the Federal Land Banks during the fiscal year ended June 30, 1959, according to the Farm Credit Administration. Officials of the System compared the loan volume with that of the mid-1930's but pointed out that the money was used for different purposes. During the depression, the Land Bank System's job was to prevent farm foreclosures. In the fiscal year 1959, farmers used much of the borrowed money to (1) purchase additional land, (2) modernize their farms, and (3) make their farms more efficient units.

## CONSERVATION RESERVE APPLICATION DEADLINE

The U. S. Department of Agriculture recently announced that the deadline for farmers to apply for the establishment of basic annual rates per acre for 1960 Conservation Reserve contracts has been extended from September 10 to September 30, 1959. According to the USDA, this extension will allow time for the farmers to make applications after the clarification of provisions governing establishment of land values for determining rates.

## KHAPRA BEETLE REGULATED AREA

Ten premises in El Paso and Hudspeth Counties of Texas have been added to the Federal Khapra beetle regulated area under a USDA order effective September 9. Nineteen properties where khapra beetle infestation had been found since early February have been fumigated under Texas State regulations. Some of these properties have been released from quarantine restrictions, while others will be kept under observation for a year following treatment. Another property in Arizona also has been designated as a regulated area. Two properties - one in Arizona and the other in New Mexico - have had their regulated status revoked.

## SURPLUS FOOD DONATIONS REACH PEAK

During the fiscal year ended June 30, 1959, the USDA donated a record total of nearly 3 billion lbs. of surplus food for use in school lunch programs, by charitable institutions in this country, and by needy persons both here and abroad. Domestic outlets received all of the 5% gain from the preceding fiscal year, with donations to schools, institutions, and needy persons amounting to slightly more than 1 billion lbs. Donations for foreign distribution decreased by about 100 million lbs. from the fiscal year 1958.

## MEAT PRODUCTION UP

U. S. output of red meat during January-July 1959 amounted to 14.7 billion lbs., representing a 6% gain over the comparable months of 1958, reports the Agricultural Marketing Service. Production of beef was up 1%; pork, 16%; and lamb and mutton, 7%. On the other hand, the outturn of veal was down 19% from the preceding year.

## LIVESTOCK

Fort Worth receipts of all classes of livestock during the week ended Thursday, September 10, 1959, were below those of the preceding week as a result of the Labor Day holiday, according to the AMS. The 3-day cattle supply of 5,000

compared with 8,300 from the previous week and 7,400 a year ago. Trading in later sessions was more active than in the preceding week, and slaughter steers sold at prices which were steady to 50¢ per cwt. higher. Demand was fairly broad for practically all stockers and feeders, and most sales were fully steady. Good and Choice 900- to 1,100-lb. slaughter steers sold at \$26 to \$27.50; Utility and Commercial cows, \$15.50 to \$18; and Medium and Good yearling stocker steers and heifers, \$23.50 to \$29.50.

The calf run was an estimated 1,800, reflecting declines of 28% from the previous week and 57% from the corresponding period in 1958. Prices of slaughter calves were steady to weak, with the majority of the Good and Choice offerings quoted at \$25.50 to \$27. The bulk of the Medium and Good stocker and feeder steer calves cleared at \$25 to \$32.

Hog marketings totaled approximately 1,900, or 800 fewer than a week ago but 400 more than the previous year. Closing prices were 25¢ to 50¢ higher than in the latter part of the preceding week. U. S. mixed No. 2 and No. 3 Grades of 190- to 240-lb. butchers brought \$14.50 to \$15.25.

Sheep and lamb offerings were about 3,200 - down 40% from the previous week but up 23% over the year-earlier figure. Trading was active on all classes of sheep and lambs. Prices of spring lambs were fully 50¢ higher than at the preceding week's close, with Good and Choice woolled and shorn 75- to 95-lb. spring slaughter lambs with mostly No. 1 pelts quoted at \$19 to \$19.50.

#### P O U L T R Y

The two major Texas commercial broiler markets showed divergent trends during the week ended Friday, September 11, points out the State Department of Agriculture. The east Texas market opened weak and unsettled but became steady by the close, while the south Texas market opened steady and then grew weaker. Closing prices were 16¢ per lb. in south Texas and 14½¢ in east Texas, although 60% of the sales in the latter area were at undetermined prices. During the corresponding period in 1958, closing quotations were mostly 18¢ in both areas, with a few sales in south Texas at 18½¢ to 19¢.

The Southwest Poultry Exchange offered 151,600 broilers on Friday afternoon, of which 99,500 sold as follows: 20% off-quality, at 13.7¢ to 14¢; 21%, at 14.5¢; 20%, at 14.6¢; 33%, at 14.7¢; and 6%, at 14.8¢.

On Monday, September 14, commercial broiler markets were steady in south Texas and unchanged in east Texas. Prices were the same as the previous Friday's close; however, 58% of the sales in east Texas were at undetermined levels.

	Area	Week ended September 5, 1959	Percentage decrease from	
			Previous week	Comparable week, 1958
BROILER CHICK				
PLACEMENTS	Texas.....	1,870,000	-5	-1
	Louisiana..	366,000	-6	-8
	22 states..	26,939,000	-5	-4

J. Z. Rowe  
Agricultural Economist