



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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## 1960 CONSERVATION RESERVE APPLICATIONS

The U. S. Department of Agriculture has received nearly 103,000 applications to place a total of 9.6 million acres in the Conservation Reserve Program beginning in 1960, or almost double the national acreage goal. It will not be possible to accept all of the acreage offered for 1960 contracts. When the sign-up began last summer, the USDA estimated that approximately 5.1 million new acres could be taken into the Conservation Reserve with available funds; present indications are that a somewhat larger acreage than the original goal can be accepted. Since the acreage of 1960 applications exceeds the new acreage which can be contracted for at this time, the "best buy" priority system previously announced will be used to determine which applicants can be offered contracts.

In the states of the Eleventh Federal Reserve District (Arizona, Louisiana, New Mexico, Oklahoma, and Texas), preliminary reports indicate that 12,761 applications have been made to place 1.1 million acres in the Conservation Reserve beginning in 1960 (the tentative acreage goal for 1960 is 802,100 acres). Cumulative totals for 1956-59 show that 5.5 million acres have been placed in the Conservation Reserve in the District states, or 24% of the national total.

## MORE COMMODITIES DECLARED SURPLUS

The USDA recently announced that upland cotton, extra-long staple cotton, rice, peanuts, tobacco, corn, rye, and tung nuts have been determined to be in surplus supply for purposes of the \$50,000 nonrecourse price support limitation on 1960 production. Honey and crude pine gum (gum naval stores) are not in surplus supply for these purposes.

Any producer of the crops which are determined to be in surplus supply must reduce his total 1960 acreage for each of these crops, except tung nuts, by 20% below his 1959 acreage. This is the same reduction as that required for wheat, barley, and grain sorghums to avoid the limitation in 1960. The limitation applies to individual persons, not to individual farming units.

## AGRICULTURAL PRICES

The index of prices received by U. S. farmers and ranchers declined nearly 2% during the month ended October 15 to 235% of the 1910-14 average, according to the Agricultural Marketing Service. Primarily responsible for the decline were lower prices for cattle, calves, hogs, eggs, corn, and grapefruit; price increases for wholesale milk, tomatoes, and wheat partially offset the decline. The mid-October index was 6% lower than a year ago.

The parity index (which reflects prices paid for commodities and services, plus interest, taxes, and wage rates) was slightly below the month-earlier figure. Declines in the seasonally adjusted index of farm wage rates and the index of production goods were only partially offset by an increase in the index of prices paid for goods for family living.

During the month ended October 15, the parity ratio declined 1% to 79, the lowest level since August 1940.

## L I V E S T O C K

The cattle run at Fort Worth during the week ended Thursday, October 29, was an estimated 8,100 head, points out the AMS. The figure was 4% below a week earlier but 7% above the corresponding period in 1958. Trading on slaughter cattle, although slow and uneven each day, was more active than in the preceding week, and clearances were more complete. Prices for slaughter steers showed little net change, while those for stocker and feeder cattle were mainly \$1 to \$2 per cwt. lower. Most of the Good and Choice 1,000- to 1,100-lb. slaughter steers brought \$25 to \$25.25; Utility and Commercial cows, \$15 to \$17.50; and Medium and Good 570- to 840-lb. feeder steers, \$19.50 to \$23.

Calf receipts totaled approximately 2,700, reflecting decreases of 32% from a week ago and 4% from a year earlier. Closing prices of slaughter calves were 50¢ to \$1 lower than in the preceding week. The majority of the Good and Choice slaughter calves sold at \$22.50 to \$24, and the bulk of the Medium and Good stocker steer calves weighing under 500 lbs. ranged from \$23 to \$28.50.

A total of 2,100 hogs was received at Fort Worth during the week ended October 29, compared with 2,700 a week earlier and 1,500 during the corresponding period last year. Thursday prices for barrows and gilts were mainly steady with those of a week ago. Mixed U. S. No. 1 through No. 3 Grades of 190- to 245-lb. butchers cleared at \$13 to \$13.25.

Sheep and lamb supplies are placed at 6,300, or 37% above the previous week and more than double the year-earlier level. Trading on slaughter lambs was slower than in the preceding week, and prices were weak to lower. Good and Choice 80- to 100-lb. slaughter lambs were quoted at \$18.50 to \$19.50.

## P O U L T R Y

The two major Texas commercial broiler markets opened steady and slightly stronger and then remained steady until the close of the week ended Friday, October 30, according to the State Department of Agriculture. The closing undertone was fully steady in south Texas and unsettled in east Texas. Closing quotations were: South Texas, 15¢ per lb., with one light load at 15½¢; and east Texas, 14½¢, although 51% of the sales were at undetermined levels. During the corresponding period in 1958, closing prices were 17¢ in both areas.

The Southwest Poultry Exchange offered 258,800 broilers on Friday afternoon, selling 95,600 as follows: 12% off-quality, at 11.7¢ to 12.3¢; 24% off-quality, at 12.7¢ to 13.1¢; 6% off-quality, at 13.2¢; 6% off-quality, at 13.7¢ to 13.8¢; 42%, at 14.0¢; and 10%, at 14.1¢ to 14.2¢.

Commercial broiler markets were steady in south Texas and slightly weaker and unsettled in east Texas on Monday, November 2. Quotes were 15¢ in south Texas and 14¢ to 14½¢ in east Texas, with 60% of the sales in the latter area at undetermined prices.

	Area	Week ended October 24, 1959	Percentage change from	
			Previous week	Comparable week, 1958
BROILER CHICK				
PLACEMENTS	Texas.....	1,542,000	-1	-21
	Louisiana..	325,000	-25	-21
	22 states..	23,743,000	1	-9

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