



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 520

Wednesday, December 16, 1959

## FHA FARM LOAN REQUIREMENTS REVISED

The Farmers Home Administration has revised its eligibility requirements for obtaining operating and farm ownership loans, according to the U. S. Department of Agriculture. The purpose of this action is to better serve the changing agricultural credit needs of farmers in rural development counties. There are 61 counties in the states of the Eleventh Federal Reserve District to which the new FHA loan requirement is applicable.

Farmers in rural development counties who are regularly employed off the farm may obtain credit from the FHA, if they meet other eligibility requirements. Previously, a farmer had to spend most of his time farming in order to qualify for a loan. This regulation prevented some farmers from obtaining maximum production from their farms and from taking full advantage of new opportunities for industrial or other employment, states the USDA.

Loans made by the FHA in rural development counties during fiscal 1959 advanced \$3 million over those in the preceding year. Under the revised regulations, a further increase is expected in the current fiscal year.

## WATERSHED PROJECTS SWING INTO OPERATION

More than a hundred of the Nation's small watershed projects moved into the construction phase during 1959, as engineers completed designs for upstream flood-prevention structures and local organizations signed project agreements with the Federal Government under the Watershed Protection and Flood Prevention Act administered by the USDA. In these projects, soil and water treatment of watershed lands is combined with upstream water-control structures to regulate runoff and manage water for agricultural, municipal, fish and wildlife, and other uses. Local and state agencies, usually including soil conservation districts, administer the projects and receive financial and technical assistance from the Federal Government.

## SOME MARKET PRICES ABOVE SUPPORTS

The Acting Secretary of Agriculture recently reported that current market prices are above support levels for about one-half of the farm products for which supports are provided. The following are commodities for which market prices are above support levels: Soybeans; cottonseed; oats; barley; rye; flaxseed; dry, edible beans; rice; butterfat; and mohair.

Of the more than 250 agricultural products, only 21 receive price supports. Existing farm legislation requires the USDA to support the price of 16 of these commodities; support for the other five is authorized by law.

## SOIL CONSERVATION DISTRICT GROWTH

The recent addition of Tennessee as the twentieth state completely covered by farmer-organized and farmer-managed soil conservation districts marked another milestone in nationwide soil and water conservation, according to the USDA. Puerto Rico and the Virgin Islands also have all of their land within soil conservation districts. Of the states in the Eleventh District, more than 90% of the land in Louisiana, Oklahoma, and Texas is within soil conservation districts; 80%, in New Mexico; and 70%, in Arizona.

## L I V E S T O C K

Cattle and calf marketings at Fort Worth during the week ended Thursday, December 10, showed some reduction as compared with the preceding week, states the Agricultural Marketing Service. The cattle supply of an estimated 6,000 was 200 below a week ago but 500 above a year earlier. Trading on slaughter steers and heifers was slow, but clearance was fairly good on most days. Prices for these animals were fully steady to strong as compared with the latter part of the previous week. Trading on stockers and feeders was moderately active throughout most of the period, and prices were strong to 50¢ per cwt. higher. Mainly Good 700- to 1,135-lb. slaughter steers cleared at \$23 to \$24; Utility and Commercial cows, \$14 to \$17; and the limited supply of mostly Good 600- to 650-lb. yearling stocker steers, \$23.50 to \$24.

Calf receipts were approximately 2,200, compared with 2,400 a week earlier and 2,600 during the comparable period last year. Closing prices of killing calves were strong to \$1 higher than in the latter part of the previous week. Most Good and Choice slaughter calves were quoted at \$23 to \$25, and the majority of the Medium and Good stocker steer calves ranged from \$23 to \$25.50.

Hog offerings of 2,800 reflected gains of 8% over the preceding week and 56% over a year ago. Thursday prices were steady to strong as compared with the latter part of the preceding week. U. S. No. 2 and No. 3 Grades of 190- to 250-lb. butchers brought \$11.75 to \$12.50, with most sales at \$12 to \$12.25.

A total of 7,800 sheep and lambs was received at Fort Worth during the week ended December 10, compared with 9,800 a week earlier and 5,500 during the corresponding period of 1958. Closing prices of slaughter lambs were mainly steady with those in the latter part of the preceding week, while those of slaughter yearlings were steady to 50¢ lower. Good and Choice 90- to 110-lb. woolled and shorn slaughter lambs sold at \$16.50 to \$17.

## P O U L T R Y

During the week ended Friday, December 11, commercial broiler markets opened about steady in east Texas and stronger in south Texas, reports the State Department of Agriculture. The south Texas market continued to show strength throughout the period, and closing prices were 1¢ per lb. higher than at the opening. Conditions in east Texas were so unsettled by midtrading that there were no confirmed sales outside the Southwest Poultry Exchange; however, the market became firm by Thursday and closed steady. Friday quotations were: South Texas, 18¢, with one light load at 19¢; and east Texas, 18¢ to 18½¢, although 58% of the sales were at undetermined levels. During the comparable period last year, there were too few sales in south Texas to establish a market; prices in east Texas were 16¢.

The Southwest Poultry Exchange offered 42,500 broilers on Friday afternoon, which sold as follows; 21% off-quality, at 17.8¢ to 18.4¢; 21% off-quality, at 18.5¢ to 18.7¢; and 58%, at 19.0¢ to 19.1¢.

On Monday, December 14, commercial broiler markets were stronger in south Texas and steady in east Texas. Quotes were 19¢ in south Texas and 18¢ in east Texas, although one-half of the sales in the latter area were at undetermined prices.

	Area	Week ended December 5, 1959	Percentage change from	
			Previous week	Comparable week, 1958
BROILER CHICK PLACEMENTS	Texas.....	1,771,000	8	-18
	Louisiana..	358,000	23	-22
	22 states..	28,605,000	5	-2