



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 610

Wednesday, September 6, 1961

NEW QUALITY PREMIUMS FOR 1962 WHEAT

The U. S. Department of Agriculture has announced plans to include quality premiums based upon sedimentation tests for 1962-crop Hard Red Spring and Hard Red Winter wheats. The new premiums will supplant the protein premiums now included in the wheat price-support loan rate schedule. The sedimentation test shows the quality of the gluten in wheat, which is considered to be more reliable in identifying wheats which are superior for use in commercial bread baking. Thirty-seven wheat varieties have been designated undesirable because of inferior milling and baking qualities. The USDA will discount these varieties 20¢ per bu. under price-support rates on the 1962 wheat crop. Beginning with the 1956 crop, discounts to discourage plantings of undesirable wheat varieties have been included in the price-support program.

FRESH FRUIT AND NUT PROSPECTS

During September and through early fall this year, supplies of fresh fruits are expected to be generally larger than in the corresponding period of 1960, according to the Economic Research Service. Total production of deciduous fruits in 1961 is expected to be about 7% larger than in 1960 and 8% above the 1950-59 average. The 1961 crop of the four major edible tree nuts - almonds, filberts, pecans, and walnuts - set a new record, according to August 1 estimates. Combined production of these tree nuts is placed at 15% above 1960 and 31% larger than the average.

CCC LOANS FOR SPECIAL CONDITION COTTON

On August 30 the USDA announced that upland cotton which is reduced in grade either because of the presence of extraneous matter (such as grass, bark, stems, etc.) or because of its designation as wasty will be eligible for loans under the Commodity Credit Corporation's 1961 Cotton Loan Program. Such cotton has been eligible for purchase at reduced rates under the 1959 and 1960 Cotton Purchase Programs, but it has not been eligible for loans.

Loans on the upland cotton which is lowered in grade because of the presence of extraneous matter will be made at a rate of 1¢ per lb. less than the loan rate for the grade to which the cotton is reduced. Loans on the upland cotton that is designated as wasty will be made at a rate of 4¢ per lb. less than the loan rate for the grade and staple length shown on the classification certificate covering the cotton.

FOOD TO NEEDY FAMILIES

The USDA has announced a purchase program for lard and canned chopped meat, including beef, pork, and other meat, to be distributed to needy families. The purchases are being made in accordance with the President's policy of improving and supplementing diets of those receiving food under USDA's Direct Distribution Program.

BEEF CARCASSES HEAVIER

Dressed carcass weights of cattle slaughtered under Federal inspection during the first half of 1961 averaged 9 lbs. heavier than during the same period last year, reports the Economic Research Service. The live weights at slaughter were about

7 lbs. above those of a year earlier. Much of the increase was a result of the higher percentage of fed steers and heifers that were slaughtered.

L I V E S T O C K

Receipts of cattle at Fort Worth during the week ended Thursday, August 31, totaled 11,100 head, or approximately one-third above a week earlier and 9% greater than the corresponding period in 1960, according to the Agricultural Marketing Service. Demand was fairly broad for slaughter steers and heifers, and prices were generally fully steady, although trading was slow as buyers resisted the higher asking prices. Good and Choice 910- to 1,195-lb. slaughter steers sold at \$23.75 to \$24.75 per cwt. Utility and Commercial slaughter cows were quoted at \$14.50 to \$16; Medium and Good 450- to 700-lb. stocker steers ranged from \$18 to \$24.10.

The calf supply totaled 2,100 head, compared with 1,500 in the previous week and 1,900 in the comparable period last year. Bidding on slaughter calves was uneven, but prices for the week compared favorably with those in week-earlier trading. Most Good and Choice slaughter calves were \$22 to \$23.50, and Good and Choice 350- to 500-lb. stocker and feeder steer calves sold from \$23.30 to \$27.

Receipts of hogs at Fort Worth amounted to 2,000, or about 43% above a week earlier but 20% below the same week last year. Trading was fairly active in the early part of the week but slowed after mid-trading. The bulk of the mixed U. S. No. 1 through No. 3 Grades of 180- to 250-lb. barrows and gilts sold at \$18.25 to \$18.75 per cwt., with a few sales made at \$19.

Sheep and lamb supplies were 5,300, which was 9% below the previous week and 7% smaller than a year earlier. Good 70- to 90-lb. slaughter spring lambs were quoted at \$14 to \$15.50, with a small supply of Utility animals selling from \$11 to \$13.50. Medium and Good spring feeder lambs, weighing mostly from 60 to 70 lbs., sold at \$10 to \$11.

P O U L T R Y

During the week ended Friday, September 1, the major Texas commercial broiler markets experienced the lowest pre-Labor Day prices of record, according to the State Department of Agriculture. Compared with the corresponding week in 1960, over-all trading volumes were almost 25% greater in south Texas and 8% larger in east Texas. Closing quotations in south Texas were 11.5¢ to 12¢, and the weighted average price in east Texas was 10.9¢. During the comparable period last year, closing quotes were 16.5¢ in south Texas; the weighted average in east Texas was 15.6¢.

| | Area | Week ended August 26, 1961 | Percent change from | |
|---------------|-------------|-------------------------------|---------------------|--------------------------|
| | | | Previous week | Comparable week, 1960 |
| BROILER CHICK | | | | |
| PLACEMENTS | Texas..... | 2,340,000 | -1 | 31 |
| | Louisiana.. | 403,000 | -7 | 15 |
| | 22 states.. | 33,631,000 | -3 | 12 |