



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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## FARM PRODUCTION COSTS

Farm production expenses in the United States are still advancing - as they have in most years since the early 1930's - according to the Economic Research Service. These expenses may reach a record high in 1961, or around \$500 million above the \$26.4 billion in 1960; and some further increases are expected in 1962. Total farm production expenses are higher than in the previous year mainly because (1) prices paid by the Nation's farmers are continuing to rise, and (2) the volume of purchased inputs is slightly larger.

The ERS points out, however, that the percentage share of realized gross farm income taken by production expenses in 1961 appears likely to edge downward for the second consecutive year. This interruption of the post-World War II trend is due to the fact that gross farm income has risen faster than production expenses in the last 2 years.

## LIVESTOCK PERMITTED ON DIVERTED ACREAGES

The U. S. Department of Agriculture recently modified the provisions of the 1961 Feed Grain Program, in order to permit livestock on diverted acreages during the remainder of this year. Many farmers normally salvage dropped corn ears and other crop residue by turning livestock onto harvested cropland late in the fall. The change in the provisions of the feed grain program will permit farmers to do this without unreasonable effort and expense for protective fencing.

## BEEF PURCHASE PROGRAM TERMINATED

The USDA has announced termination of the program for purchasing frozen ground beef to be used in the School Lunch Program. Since the beginning of the beef purchasing program on August 23, a total of 38.3 million lbs. of frozen ground beef has been purchased at a cost of \$16.1 million.

## WORLD HOG SLAUGHTER EXPECTED TO INCREASE

The 1961 hog slaughter in 33 countries is estimated to be 1% larger than in 1960 and 23% above the 1951-55 average, points out the Foreign Agricultural Service. Hog slaughter in 1962 is forecast at 5% greater than in 1961. Most of the gain is expected to occur in Europe, where hog numbers are at a record high.

According to the FAS, the increase in pork production in Europe probably will result in reduced U. S. shipments of pork and lard to that area. Western Europe, excluding the United Kingdom, is again expected to be a net exporter of pork and pork products, as a record slaughter is forecast for many of the countries.

## EMERGENCY ASSISTANCE FOR TEXAS COUNTIES

Secretary of Agriculture Freeman recently designated six Texas counties as disaster areas that are eligible to receive emergency conservation assistance because of damage to farmlands, which was caused by Hurricane Carla and the accompanying floods in September. These counties are: Brazoria, Calhoun, Chambers, Galveston, Jackson, and Matagorda.

## L I V E S T O C K

The Fort Worth cattle run during the week ended Wednesday, November 22, totaled an estimated 4,300 head, reports the Agricultural Marketing Service. The supply was 19% below that in the preceding week but was about the same as the year-earlier figure. Demand was broad for most slaughter classes. Slaughter steers and heifers sold at prices which were steady to 25¢ per cwt, higher than at the previous week's close. Good 975- to 1,020-lb. slaughter steers brought \$23.75 to \$24.25, and Utility and Commercial cows were quoted at \$14.50 to \$17. Trading on stockers and feeders was fairly active; closing quotes on stocker and feeder steers and heifers weighing under 600 lbs. were steady to 50¢ higher than in the preceding week, while those on heavier weights were steady. Good and Choice 500- to 800-lb. stocker and feeder steers cleared at \$22 to \$26.20.

Calf marketings are placed at 1,000, or about the same as in the preceding week but 100 more than a year ago. Slaughter calves sold at prices which were strong to 50¢ higher than at the previous week's close. Good killing calves brought \$23.50 to \$25, and quotations on Good and Choice 275- to 500-lb. stocker steer calves ranged from \$23 to \$28.90.

Hog offerings were approximately 1,100, compared with 1,400 a week ago and 1,200 during the corresponding period of 1960. Closing prices for barrows and gilts were generally 50¢ lower than a week earlier. The bulk of the U. S. No. 1 through No. 3 Grades of 215- to 270-lb. butchers sold at \$15.50 to \$16.25.

A total of 7,800 sheep and lambs was received at Fort Worth during the week ended November 22, reflecting gains of 86% over the previous week and 56% over the year-earlier level. Prices for Good and Choice slaughter lambs were strong to 50¢ higher than at the previous week's close, with 77- to 125-lb. woolled and shorn slaughter animals with No. 1 and No. 2 pelts quoted at \$15.50 to \$16.

## P O U L T R Y

The south Texas commercial broiler market was steady throughout the week ended Friday, November 24, points out the State Department of Agriculture. (No report was available for the east Texas market, because the Department of Agriculture was in the process of re-evaluating the sources of market news quotations.) The trading volume in south Texas was 36% above that of a year ago; closing prices were 13¢ per lb. During the comparable period in 1960, closing quotations were 17¢ in south Texas, and the weighted average price in east Texas was 15¢.

On Monday, November 27, the south Texas commercial broiler market was stronger pricewise; quotations were 14¢ per lb.

	Area	Week ended November 18, 1961	Percent change from	
			Previous week	Comparable week, 1960
BROILER CHICK				
PLACEMENTS	Texas.....	1,788,000	3	1
	Louisiana..	369,000	-1	-4
	22 states..	30,145,000	2	0