



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 673

Wednesday, November 21, 1962

DEMAND AND PRICE OUTLOOK

The 1963 Outlook Issue of the Economic Research Service's Demand and Price Situation points out that -

- * Domestic demand for food and fiber in the United States is expected to increase another $1\frac{1}{2}\%$ in 1963.
- * Foreign demand for U. S. farm products indicates that exports in fiscal 1962-63 will about equal the levels of a year earlier, with increased shipments of food fats and oils and decreased exports of wheat and feed grains.
- * Realized net farm income in the Nation in 1963, as in 1962, is expected to about equal the \$12.8 billion level of 1961. Gross income continues to rise, but the increase continues to be about offset by rising costs.
- * Farm product prices are running about 1% higher this year than in 1961. Crop prices in early 1963 are expected to be around the current year's level, but livestock prices may be down slightly.
- * Farm output in the Nation this year is about the same, over-all, as in the past 2 years. Meat and dairy production is running higher, and grain output, lower. Output of livestock products probably will advance further in 1963, and carry-over stocks of grain likely will be reduced.
- * The trend toward higher income and output per farm in the United States is expected to continue in 1963, since farm numbers and farm population probably will decrease further. The acreage, capital investment, and volume of business per farm continue to rise as farmers become increasingly efficient in meeting domestic and export demands for food and fiber.

FARM EMPLOYMENT AT NEW LOW FOR OCTOBER

According to the U. S. Department of Agriculture, there were an estimated 7.6 million persons in the Nation's farm working force in late October. This number is a record low for the period and represents a 5% decrease from the previous low mark set in October last year. Of the 7.6 million total, 5.4 million were family workers (down 5% from October 1961), and 2.2 million were hired farm workers (down 7%). The principal reason for the continued downtrend in October farm employment is the increased use of machines for harvesting cotton.

LIVESTOCK

Fort Worth receipts of all classes of livestock during the week ended Thursday, November 15, were above those in the preceding week, reports the Agricultural Marketing Service. The cattle run of an estimated 7,200 compared with 7,000 a week

earlier and 6,500 a year ago. Trading on slaughter steers was generally slow, but prices held fully steady as compared with the previous Thursday's close. Good 880- to 1,245-lb. slaughter steers brought \$26.25 to \$27.25 per cwt., and Utility and Commercial cows sold at \$12.75 to \$15.75. Trading on feeder cattle was moderately active. Closing prices for Good and Choice feeder steers were mainly steady, while those for Common and Medium grades were weak to \$1 lower than a week earlier; Good 500- to 700-lb. yearlings cleared at \$23 to \$25.50.

The calf supply, at about 2,400, was 26% larger than in the preceding week and 71% above the corresponding period in 1961. Trading on slaughter calves was moderately active, and prices were fully steady with a week earlier. Good grades of killing calves were quoted at \$23.50 to \$25 per cwt., and prices for 250- to 500-lb. feeder steer calves ranged from \$23.50 to \$27.

Hog marketings totaled approximately 1,500, or 500 more than in the previous week but 200 fewer than a year ago. Trading was only moderately active, and closing quotations were mostly steady to 25¢ per cwt. lower than on the preceding Thursday. The majority of the mixed U. S. No. 1 through No. 3 Grades of 190- to 260-lb. barrows and gilts cleared at \$16.25 to \$17 per cwt.

Sheep and lamb offerings are placed at 10,000, representing gains of 28% over a week earlier and 133% over the corresponding period last year. Trading was active, and prices held steady throughout the 4-day period. The bulk of the Good and Choice 65- to 85-lb. shorn slaughter lambs with No. 1 and No. 2 pelts sold at \$17 to \$17.50 per cwt.

P O U L T R Y

During the week ended Friday, November 16, the major Texas commercial broiler markets opened weaker, according to the State Department of Agriculture. The markets were steady on Wednesday, but prices in east Texas began to decline again on Thursday. At Friday's close, markets in both south and east Texas had weakened considerably, and the undertone was very unsettled. Demand for ready-to-cook broilers was very slow because of the approaching holidays. Closing quotations in south Texas were 14.4¢ to 14.6¢ per lb., and prices in east Texas ranged from 13¢ to 14.4¢. During the comparable period in 1961, the south Texas quote was 13¢, and the weighted average price in east Texas averaged 12.3¢.

On Monday, November 19, commercial broiler markets were weaker in south Texas and slightly weaker in east Texas. Prices per lb. were: South Texas, 13.5¢ to 13.6¢; and east Texas, 13¢ to 13.8¢.

	Area	Week ended November 10, 1962	Percent change from	
			Previous week	Comparable week, 1961
BROILER CHICK PLACEMENTS				
	Texas.....	2,726,000	4	56
	Louisiana..	505,000	-2	37
	22 states..	36,155,000	3	21