



# AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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## FOOD COSTS AND CONSUMER INCOMES

The Nation's consumers spent 19% of their disposable income for food in 1962, compared with 23% in 1952, according to the Economic Research Service. Although food expenditures per person advanced 11% during the period, per capita disposable income rose 35%. Food expenditures increased at a slower rate than income because both food prices and per capita consumption rose much slower than income. Expenditures for food, including that eaten away from home, averaged \$394 per person in 1962, compared with an average of \$356 in 1952. The ERS points out that the gain resulted from higher food prices, coupled with consumer purchases of higher-quality food and increased marketing services. The proportion of U. S. disposable income spent for other goods and services rose from 69% in 1952 to 73% in 1962. Expenditures per person for these goods and services increased 45% during the period, and prices advanced 17%.

## LARGER COTTON CARRY-OVER

The carry-over of all kinds of cotton in the United States as of August 1, 1963, is placed at 11.1 million bales, which is about 3.3 million bales more than a year ago and the largest volume since the 11.3 million bale carry-over at the beginning of the 1957 season, reports the ERS. The record-high carry-over was 14.5 million bales on August 1, 1956. The estimated sharp increase in carry-over on August 1, 1963, reflects both the larger cotton production during the 1962-63 crop year and the substantial decline in disappearance.

Disappearance of U. S. cotton during the 1963-64 crop year (August 1, 1963, through July 31, 1964) is estimated at 13.8 million bales, or 2.1 million bales above the 1962-63 figure. Both mill consumption and exports are expected to rise during 1963-64, according to the ERS.

## MORE FOREST FIRES!

The number of forest fires in the United States soared to over 86,000 during the first half of this year, increasing 25% over the same period in 1962. (The fires reported do not include those on lands administered by the U. S. Department of the Interior.) The larger number of forest fires resulted mainly from long periods of drought in the East and South. The area burned during January-June was almost double the year-earlier total. At this rate, indications are that the 1963 forest fire record will be the worst in many years. Accordingly, the USDA's Forest Service continues to urge everyone to be extra careful with fire.

## LENDING ACTIVITIES OF THE REA

More than 260,000 rural consumers and subscribers will receive electric or telephone service for the first time as a result of loans approved by the USDA's Rural Electrification Administration during the 1963 fiscal year (which ended June 30). According to the USDA, the 1963 loans will also assure increasing supplies of dependable, lower-cost power for about 629,000 present consumers on REA-financed electric lines.

## LIVESTOCK

The continued extremely hot, dry weather was responsible for most of the increase in Fort Worth cattle and calf receipts during the week ended Thursday,

August 29, according to the Agricultural Marketing Service. The cattle run totaled an estimated 8,000 head, reflecting gains of 8% over the previous week and 10% over the corresponding period of 1962. Trading on all classes was active at the market's opening but narrowed later in the week. Closing prices for slaughter steers were fully steady to strong, while those for other classes were weak to \$1 per cwt. lower than a week ago. Good and Choice 900- to 1,155-lb. slaughter steers brought \$23.40 to \$25 per cwt., and the majority of the Utility and Commercial cows sold at \$13 to \$14.50. Closing prices for most feeder cattle were 50¢ to \$1 per cwt. lower than a week earlier, with Good and Choice 500- to 685-lb. yearling steers quoted at \$23 to \$26.30.

Calf marketings are placed at 2,300, or 400 above the preceding week and more than double the year-earlier figure. Closing quotations on slaughter calves were weak to 50¢ per cwt. lower than a week ago. Most of the Good grades of killing calves cleared at \$23 to \$24 per cwt., and prices for Good and Choice 270- to 450-lb. stocker steer calves ranged from \$24.70 to \$27.80.

A total of 1,300 hogs was received at Fort Worth during the week ended August 29, representing declines of 19% from a week ago and 13% from the comparable period last year. Although demand was fairly broad for all classes, closing prices were mostly 50¢ to \$1 per cwt. lower than on the previous Thursday. The bulk of the U. S. No. 1 through No. 3 Grades of 190- to 255-lb. butchers sold at \$17 to \$17.50 per cwt.

Sheep and lamb supplies of approximately 4,200 were slightly larger than a week earlier but sharply below a year ago. Demand was fairly broad, and prices generally were fully steady to strong. The majority of the Good and Choice slaughter woolled spring lambs cleared at \$17 to \$18.50 per cwt.

#### P O U L T R Y

Texas commercial broiler markets opened fully steady in south Texas and slightly weaker in east Texas in the week ended Friday, August 30, points out the State Department of Agriculture. The market in south Texas remained steady throughout the trading period, while that in east Texas continued to show weakness. At Friday's close, markets in both areas were about steady, but the undertone was unsettled to weak. Closing prices per lb. were: South Texas, 14¢ to 15¢, mainly 15¢; and east Texas, 13.3¢ to 14¢. During the comparable period in 1962, closing quotations in south Texas were 16.5¢ to 17¢, and prices in east Texas ranged from 15.9¢ to 16.1¢.

No report was available for Monday, September 2, because of the Labor Day holiday.

	Area	Week ended August 24, 1963	Percent change from	
			Previous week	Comparable week, 1962
BROILER CHICK PLACEMENTS	Texas.....	2,090,000	-12	-6
	Louisiana..	459,000	-4	12
	22 states..	35,254,000	-4	0