



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 718

Wednesday, October 2, 1963

REPORT ON RECREATION FINANCING

From November 1962, when the first recreational loan was made by the Farmers Home Administration, until September 1, 1963, a total of 95 farm operators in the United States received \$703,000 to develop facilities for income-producing recreation on their farms, reports the U. S. Department of Agriculture. The FHA estimates an average increase in income of \$2,000 per farmer as a result of these recreational enterprises. In addition, 20 nonprofit associations formed by farmers and rural residents received \$1.5 million in loans to finance large-scale community recreational projects, such as swimming pools, picnic grounds, and small golf courses. Most of the loans are made by private investors and are insured by the FHA. Interest rates are 5% for farmers and $4\frac{1}{2}\%$ to 5% for nonprofit associations. According to the USDA, these projects utilize land not needed for crop production, attract industry, promote tourism, and encourage young people to remain in their hometowns.

OUTLOOK FOR EGGS

U. S. egg prices are expected to hover around the 1962 level for the remainder of the current year, according to the Economic Research Service. Egg production probably will be larger than a year earlier, but demand by breakers may be greater as a result of the current small stocks of frozen eggs. However, early in 1964 an expansion in egg output may reduce prices below the 1963 level.

UNDESIRABLE WHEAT VARIETIES

The USDA recently named 38 wheat varieties that will be discounted 20¢ per bu. in price-support rates for the 1964 wheat crop; the discount rate is the same as for 1963-crop wheat. These varieties are undesirable because of inferior milling or baking qualities. The list includes one variety, Lathrop, in addition to the 37 listed for the 1963 wheat support program.

Advance notice of the discounts is given in order to discourage plantings of these undesirable wheat varieties, according to the USDA. Discounts on undesirable varieties have been included in the price-support program beginning with 1956-crop wheat.

PEANUT STOCKS

Peanuts held in off-farm positions in the United States on August 31, 1963, amounted to 711 million lbs. of equivalent farmers' stock, or the largest volume for any August 31 since records were started in 1938, points out the Statistical Reporting Service. The peanut stocks were composed of 380 million lbs. of actual farmers' stock, 321 million lbs. of equivalent farmers' stock in the form of shelled edibles, and 10 million lbs. of equivalent farmers' stock held as unshelled roasting stock. The 380 million lbs. of actual farmers' stock on hand in the Nation at the end of August was substantially above the previous peak of 228 million lbs. on August 31, 1959, reflecting all-time high yields and rapid progress of harvesting this season.

LIVESTOCK

Fort Worth cattle and calf receipts showed substantial increases during the week ended Thursday, September 26, while supplies of other classes of livestock were reduced, according to the Agricultural Marketing Service. At an estimated

7,900, the cattle run compares with 5,300 in the preceding week and 7,100 during the corresponding period in 1962. Trading on slaughter cattle was generally slow, and closing quotations for steers were mainly 50¢ to 75¢ per cwt. lower than on the previous Thursday. Good and Choice 915- to 1,050-lb. slaughter steers brought \$24 to \$24.50 per cwt., and the majority of the Utility and Commercial cows cleared at \$13 to \$16. Feeder cattle sold at prices which were 50¢ to mostly \$1 per cwt. lower than a week ago, with Good and Choice 500- to 600-lb. steers quoted at \$21.50 to \$25.25 per cwt.

Calf offerings totaled about 2,200, reflecting gains of 38% over the week-earlier figure and 57% over a year ago. Thursday prices for slaughter calves were mainly 50¢ to \$1 per cwt. lower than a week earlier. Good grades of killing calves cleared at \$21 to \$24 per cwt., and Good and Choice stocker steer calves weighing under 500 lbs. were quoted at \$22.50 to \$29.

Hog supplies are placed at 1,400, or 100 fewer than in the preceding week but 100 more than in the comparable period last year. Barrows and gilts were under price pressure each day, and closing quotations were 75¢ to \$1 per cwt. lower than a week earlier. Most of the 4-day offerings of U. S. No. 1 through No. 3 Grades of 190- to 250-lb. butchers brought \$15.75 to \$16 per cwt.

Sheep and lamb marketings of approximately 4,200 were down 22% from the preceding week and 41% from a year ago. Slaughter lamb prices were steady to 50¢ per cwt. lower on Monday and then held unchanged the remainder of the trading period. The bulk of the Good and Choice 68- to 93-lb. slaughter woolled spring lambs sold at \$17 to \$18 per cwt.

P O U L T R Y

During the week ended Friday, September 27, the major Texas commercial broiler markets opened slightly weaker and then became steady on Tuesday, reports the State Department of Agriculture. At midweek, some buyer resistance was noted in east Texas, as the high side of the price range was up about 0.75¢ per lb. Markets in both south and east Texas were steady at Friday's close, with a highly unsettled undertone. Trading ranged from light to brisk. The closing quotation in south Texas was 14¢ per lb., and prices in east Texas ranged from 13¢ to 14.8¢. During the comparable period in 1962, quotes in south Texas were 16¢ to 16.5¢, and east Texas prices were 15¢ to 15.7¢.

On Monday, September 30, commercial broiler markets were fully steady in south Texas but weaker in east Texas. Prices per lb. were: South Texas, 14¢; and east Texas, 13.5¢ to 13.8¢.

	Area	Week ended September 21, 1963	Percent change from	
			Previous week	Comparable week, 1962
BROILER CHICK PLACEMENTS				
	Texas.....	2,090,000	-5	-1
	Louisiana..	485,000	17	12
	22 states..	34,117,000	0	1