



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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FARM PRODUCTION EXPENSES

Farm production expenses in the United States are expected to total about \$28.7 billion in 1963, compared with the previous peak expenditure of \$28.2 billion in 1962. According to the Economic Research Service, most of this advance is the result of a 2% increase in average prices paid for commodities and services (including interest, taxes, and wage rates).

The outlook for 1964 points to an increase in total production expenses at least equal to the 2% rise experienced this year. Larger production expenditures are in prospect for several important items, including purchased feed, fertilizer, taxes, interest on indebtedness, and depreciation charges.

Total farm production expenses in the Nation rose 57% from 1947-49 to 1962. A larger volume of purchased inputs and higher prices for such inputs each accounted for approximately one-half of the increase. The following table shows the composition of expenditures for 1962 and the 1947-49 average.

<u>Class of expenditure</u>	<u>Percent of total in 1962</u>	<u>Percent of total in 1947-49</u>
Feed.....	19	20
Seed.....	2	3
Livestock.....	11	8
Fertilizer and lime.....	6	5
Hired labor.....	11	16
Depreciation and consumption of capital items....	15	12
Repair and operation of capital items.....	14	15
Taxes.....	6	4
Interest on mortgage debt.....	3	1
Other.....	<u>13</u>	<u>16</u>
Total.....	100	100

U S D A I N F O R M A T I O N O N E M E R G E N C Y F E E D I N G

Feeding people in an emergency is the subject of a new report issued by the U. S. Department of Agriculture. The report, Estimated Number of Days' Supply of Food and Beverages in Warehouses at Wholesale, 1963, shows locations of wholesale food and beverage stocks and the number of days these supplies would last. Data are summarized by kind of business and civil defense region, by storability, and by major food group. The days' supply per person for the specified level of calories and liquids per day is provided for Standard Metropolitan Statistical Areas. The levels used are 2,000 calories for food and 32 ounces for liquids per capita.

Single copies of the release, Marketing Research Report No. 632, may be obtained, without cost, from the Office of Information, U. S. Department of Agriculture, Washington, D. C. 20250.

L I V E S T O C K

Fort Worth livestock receipts during the week ended Thursday, December 5, were sharply above the preceding week's 3-day supply (the trading period was shortened by the Thanksgiving holiday), reports the Agricultural Marketing Service. Cattle offerings of an estimated 7,100 compared with 2,100 a week earlier and 5,800 during the corresponding 4 days of 1962. Trading generally was slow for most classes. Slaughter steers and heifers sold at prices which were mainly 50¢ to \$1 per cwt. lower than the previous week's close. Mixed Standard and Good 950- to 1,100-lb. slaughter steers brought \$18 to \$20 per cwt., and Utility and Commercial cows cleared at \$12.50 to \$15. Feeder cattle prices were steady to 50¢ per cwt. lower than a week ago; Good 500- to 650-lb. steers were quoted at \$20 to \$23 per cwt.

The calf supply totaled approximately 2,400, or more than triple the week-earlier figure and one-fifth above a year ago. Prices for slaughter calves were steady to 75¢ per cwt. lower than a week earlier. Good grades of killing calves weighing up to 550 lbs. brought \$20 to \$22.50 per cwt., and quotations for 275- to 500-lb. stocker steer calves ranged from \$21 to \$25 per cwt.

At an estimated 1,350, hog offerings were more than double those of the preceding week but were about one-fourth smaller than a year ago. Thursday quotes for barrows and gilts were 50¢ to 75¢ per cwt. lower than the previous week's close. The bulk of the U. S. No. 1 through No. 3 Grades of 190- to 270-lb. butchers sold at \$14.50 to \$15 per cwt.

Sheep and lamb marketings are placed at 6,800, compared with 4,100 a week ago and 8,700 a year earlier. Trading was active the first 2 days of the week but was slow thereafter. Slaughter lambs sold at prices which were weak to 50¢ per cwt. lower than the preceding week's close. The majority of the Good and Choice 73- to 82-lb. slaughter lambs with No. 1 and No. 2 pelts brought \$17 to \$18 per cwt.

P O U L T R Y

In the week ended Friday, December 6, the major Texas commercial broiler markets opened steady, reports the State Department of Agriculture. The south Texas market continued steady throughout the trading period, while east Texas prices increased slightly on Thursday. At Friday's close, markets in both areas were about steady, with an unsettled undertone. Trading ranged from light to brisk. Closing prices in south Texas were 14¢ to 14.5¢ per lb., and those in east Texas ranged from 13¢ to 14.7¢. For the corresponding period in 1962, closing quotes in south Texas were 15.5¢ to 16.6¢, and those in east Texas were 15.6¢ to 17.1¢.

Commercial broiler markets were steady in south Texas and slightly weaker in east Texas on Monday, December 9. Prices in south Texas were 14¢ to 14.5¢ per lb., and those in east Texas ranged from 12.5¢ to 14.1¢.

	Area	Week ended November 30, 1963	Percent change from	
			Previous week	Comparable week, 1962
BROILER CHICK PLACEMENTS				
	Texas.....	2,887,000	2	16
	Louisiana..	555,000	-3	5
	22 states..	38,133,000	0	5