



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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FARM PARTICIPATION IN 1964 WHEAT PROGRAM

On May 27 the U. S. Department of Agriculture announced that farms having 76% of the effective national wheat acreage allotment have enrolled in the 1964 voluntary wheat program. The signup was concluded on May 22. Enrolled in the program were 611,728 farms having effective allotments totaling 40.7 million acres. The agreed acreage diversion amounts to 5.3 million acres, of which 4.5 million acres reflect the 10% reduction in 1964 allotments from the former 55-million-acre level. The remaining 842,506 acres are additional diversions from the 1964 allotments. Diversion payments on the Nation's farms enrolled in the 1964 wheat program will total approximately \$34.3 million.

In the Eleventh Federal Reserve District states (Arizona, Louisiana, New Mexico, Oklahoma, and Texas), the 7.4 million allotment acres on signed farms comprise 82% of the 8.9 million acres of wheat allotments in these states. Diversion payments on southwestern farms enrolled in the 1964 wheat program will amount to \$5.3 million.

WHEAT - FEED GRAIN SUBSTITUTION FOR 1965

In order that summer fallow operations for next year's crop may take place promptly, the USDA has announced that substitution between wheat and feed grains would be authorized in the 1965 programs. The reason for the substitution is to permit greater flexibility in farm operations. In many dryland areas of the Great Plains and Pacific Northwest, wheat usually is seeded on land tilled in preparation for fall planting of winter wheat to be harvested the following year. Summer fallowing is practiced widely in May and June. Substitution will apply on individual farms only if the farm has both a feed grain base and a wheat allotment. Producers will need to meet at least the minimum diversion for both wheat and feed grains in order to utilize the substitution provisions.

PROJECT TO SEEK BEEF MARKETS IN EUROPE

Secretary of Agriculture Freeman recently signed a cooperative market development agreement with the American Meat Institute (acting on behalf of the entire U. S. livestock and meat industry) that is aimed toward promoting export sales of U. S. livestock products, especially beef, in Western Europe and the United Kingdom. The new project is part of a program of export market development carried out through joint financing by the USDA and other U. S. agricultural and trade groups, with the USDA's contribution being derived from market development funds provided by Public Law 480.

Countries in which the developmental activity will take place include the United Kingdom, West Germany, France, Italy, Belgium, Switzerland, the Netherlands, and Spain. In each of these countries, meat supplies currently are below normal, and prices to consumers are unusually high. A special mission recently sent by President Johnson to study U. S. beef marketing prospects in Europe reports that prospects are favorable for some export sales to the area in the months ahead.

BARTER CONTRACTS

The USDA recently reported that 20 contracts, with a value of \$35.2 million, were negotiated under the barter program during the third quarter of the 1964

fiscal year (January-March). Of the 20 contracts, 15 (valued at \$26.0 million) represented offshore procurement for the Department of Defense, 3 (valued at \$3.0 million) were for Agency for International Development (AID) procurements, and 2 (valued at \$6.2 million) represented barter for strategic materials.

L I V E S T O C K

Cattle and calf supplies advanced sharply at Fort Worth during the week ended Thursday, May 28, reports the Agricultural Marketing Service. The cattle run of approximately 7,600 was 69% greater than in the previous week and 62% larger than in the corresponding 1963 period. Trading was generally slow on all slaughter classes. The approaching Memorial Day holiday, coupled with a backlog of live cattle at most plants, was a bearish factor after Monday, and most classes sold at lower prices each day. Compared with the previous Thursday's close, quotations on slaughter steers, cows, and bulls were 50¢ to \$1 per cwt. lower. Mixed high-Good and Choice 1,005- to 1,250-lb. slaughter steers cleared at \$19.50 to \$20.50 per cwt., and Utility and Commercial cows brought \$11.50 to \$13.25. Prices for feeder steers and heifer yearlings were 50¢ to \$1.50 per cwt. lower than a week earlier, with Good and Choice 500- to 770-lb. steers quoted at \$14 to \$18.50 per cwt.

Calf offerings are estimated at 1,875, compared with 850 a week ago and 775 a year earlier. Prices for slaughter calves were \$2 to \$3 per cwt. lower than the previous Thursday's close. In the latter part of the week, Good grades of killing calves weighing up to 575 lbs. brought \$17 to \$19 per cwt., and quotations for stocker steer calves ranged from \$16 to \$19.50.

Hog receipts totaled about 1,175, or 25 more than a week earlier but 25 fewer than in the comparable period last year. Demand was fairly broad for all classes, and trading was moderately active each day. Thursday quotations for barrows and gilts were 25¢ to 50¢ per cwt. higher than a week earlier. The majority of the 4-day supply of U. S. No. 1 through No. 3 Grades of 200- to 255-lb. butchers sold at \$15 to \$15.50 per cwt.

Sheep and lamb marketings of approximately 12,000 were 31% below the preceding week but 16% above a year ago. Demand was fairly broad for practically all classes, and trading was active each day. Prices for slaughter animals were fully steady with the previous Thursday's close; the bulk of the Good and Choice 65- to 90-lb. slaughter spring lambs cleared at \$19 to \$22 per cwt.

P O U L T R Y

No Texas commercial broiler market report was available for the week ended Friday, May 29.

On Monday, June 1, commercial broiler markets were about steady in south Texas and weaker in east Texas, according to the State Department of Agriculture. The price per lb. in south Texas was 14.5¢, and quotations in east Texas ranged from 13.5¢ to 14¢.

	Area	Week ended May 23, 1964	Percent change from	
			Previous week	Comparable week, 1963
BROILER CHICK				
PLACEMENTS	Texas.....	3,139,000	3	-1
	Louisiana..	629,000	-6	2
	22 states..	46,058,000	1	1