



AGRICULTURAL NEWS OF THE WEEK

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CATTLE INDUSTRY AND PRICE TROUBLE NOT NEW

Price trouble, as well as price prosperity, is not unusual for the Nation's cattle industry, according to the Economic Research Service. The industry is characterized by such wide swings in prices as (1) the decline from nearly \$36 per cwt. (annual average per cwt., Choice steers, Chicago) in 1951 to slightly over \$22 in 1956, (2) the advance to nearly \$28 in 1959, and (3) the decrease from over \$27 in 1962 to less than \$22 for the past 6 months.

These price swings occurred during a period in which per capita beef consumption rose substantially, from 63 lbs. in 1950 to 95 lbs. in 1963. Why has there been price trouble even though consumption has increased? Cattle numbers were low in 1958, following several years of depressed prices, high slaughter rates, and herd disposals. Since then, inventories have advanced considerably - from 59 million beef cattle and calves on U. S. farms and ranches as of January 1, 1958, to almost 79 million at the beginning of the current year. The number of fed cattle has also increased sharply. The number in the major feeding states rose from 6 million in 1958 to nearly 9 million as of January 1, 1964, or about twice as many as in 1950. Moreover, average slaughter weights have increased.

Also contributing to the increased beef supply has been a generally rising level - until this year - in combined imports of beef, veal, cattle, and calves. In 1954-57, these imports (carcass weight equivalent) averaged less than 3% of domestic beef and veal production, compared with about 8% of the total in 1958-61, 10.5% in 1962, and 10.7% in 1963.

CCC TO ACQUIRE 1963 - CROP LOAN COTTON

The U. S. Department of Agriculture announced on July 15 that the Commodity Credit Corporation will take title at the close of business on July 31, 1964, to all 1963-crop loan cotton (upland and extra-long staple) on which loans have not been repaid before that time, except for cotton on which the CCC demands payment on an earlier date and for cotton on which there is a basis for a claim against the borrower. As provided in the loan agreements, the CCC will not pay for any market value which such cotton may have in excess of the amount of the loan, plus charges and interest.

Notice that this 1963-crop loan cotton will be acquired by the CCC was given on July 15 to allow borrowers sufficient time in which to redeem their cotton and to enable mills and merchants to obtain any additional cotton they may need from the loan before July 31, 1964. Any such cotton represented by warehouse receipts sent to local banks at the request of producers and purchasers of their equities must be redeemed by payment at the local banks by the close of business on July 31. Any repayments by mail must be received by the CCC or by the local banks before the close of business on July 31.

JAPAN LARGE IMPORTER OF U. S. FARM PRODUCTS

Japan is one of the world's largest importers of farm products, and approximately 30% of her imports are supplied by U. S. farmers with payment in dollars, according to a recent USDA report. Factors indicating that Japan will increase imports of food and fiber in the years ahead include: (1) an expanding economy, (2) rising consumer incomes, (3) a growing population, and (4) limited farm resources.

L I V E S T O C K

Fort Worth cattle receipts during the week ended Thursday, July 16, totaled an estimated 8,100 head, reflecting gains of 3% over the preceding week and 37% over the corresponding 1963 period, reports the Agricultural Marketing Service. Trading on all slaughter classes was generally slow each session. Compared with the preceding Thursday's close, slaughter steers weighing over 800 lbs. sold at steady prices, but quotations on lighter-weight animals declined 50¢ to \$1 per cwt. Good 795- to 1,115-lb. slaughter steers brought \$19 to \$22.25 per cwt., and prices for Utility and Commercial cows ranged from \$9.50 to \$12.75 per cwt. Demand was generally poor for most feeder cattle. Thursday prices for feeder steers were mostly steady with the previous week's close, with Good and Choice 500- to 650-lb. yearling steers quoted at \$16 to \$19 per cwt.

The calf supply of approximately 2,700 compared with 2,800 a week earlier and 1,700 a year ago. Slaughter calf prices were mostly \$1.50 to \$2 per cwt. lower than on the previous Thursday. Good grades of killing calves brought \$16.50 to \$20 per cwt., and quotes on 250- to 500-lb. stocker steer calves ranged from \$16 to \$19.50 per cwt.

Hog marketings, at about 1,100, were down 300 from the preceding week and were 350 fewer than in the corresponding period last year. Trading was only moderately active, and the general price trend was downward. Thursday prices for barrows and gilts were mainly 25¢ per cwt. lower than a week earlier, with the bulk of the U. S. No. 1 through No. 3 Grades of 185- to 255-lb. butchers quoted at \$16.50 to \$17 per cwt.

Sheep and lamb offerings are placed at 9,750, or 32% more than in the previous week and 12% above the year-earlier figure. Closing prices for slaughter spring lambs were 50¢ to \$2 per cwt. lower than a week ago. The majority of the Good and Choice 70- to 97-lb. animals cleared at \$20 to \$22 per cwt.

P O U L T R Y

In the week ended Friday, July 17, the major Texas commercial broiler markets opened stronger, reflecting the preceding week's price increases in most of the other broiler-producing states. Texas prices held steady throughout the trading period, although at the close the undertone was slightly unsettled with a foreseeable weakening trend, according to the State Department of Agriculture. The closing price in south Texas was 16¢ per lb., and quotations in east Texas ranged from 14¢ to 15.3¢. During the corresponding 1963 period, the closing price in south Texas was 14¢ per lb., and quotes in east Texas ranged from 13¢ to 13.5¢.

Texas commercial broiler markets were weaker on Monday, July 20. The following prices per lb. were quoted: South Texas, 15¢, and east Texas, 13.7¢ to 14.8¢.

	Area	Week ended July 11, 1964	Percent change from	
			Previous week	Comparable week, 1963
BROILER CHICK PLACEMENTS	Texas.....	2,895,000	-5	7
	Louisiana..	588,000	4	16
	22 states..	42,242,000	-2	3