



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

Number 831

Wednesday, December 1, 1965

MARKETING QUOTAS APPROVED

In four separate referendums held on November 23, growers approved marketing quotas for the 1966 crops of upland cotton, extra-long staple cotton, and rice and for the 1966, 1967, and 1968 crops of peanuts, reports the U. S. Department of Agriculture. Preliminary tabulations show that marketing quotas for upland cotton were approved by 94.8% of the producers voting; extra-long staple cotton, 79.4%; rice, 92.1%; and peanuts, 97.7%. Approval of at least two-thirds of the growers voting in each of the referendums is required for marketing quotas to be placed in effect.

WOOL INCENTIVE AND MOHAIR SUPPORT PRICES

On November 24, the USDA announced a shorn wool incentive price of 65¢ per lb. for the 1966 marketing year, which is an increase of 3¢ per lb. over the present level. At the same time, the USDA announced that the support price for mohair would be 75.8¢ per lb., or 3.8¢ per lb. more than the present support price. The price of pulled wool will continue to be supported at a level comparable with the incentive price for shorn wool. Payments to wool and mohair producers for the 1966 marketing year (the 1966 calendar year) will be made beginning in April 1967. Applications for such payments must be filed not later than January 31, 1967.

NEW MACHINE FOR APPLYING INSECTICIDES

A machine that applies systemic insecticides to stems of cotton plants has been successfully tested, according to the USDA. (Systemic insecticides penetrate the entire vascular system of a plant.) Instead of treating seeds or foliage or putting the systemic chemical onto the soil, the new machine guides each plant in the row between continuously rotating brushes that mesh with each other. The brushes apply a small amount of the thickened insecticide to the lower part of the stalk. The insecticide is absorbed by the stalk and moves throughout the cotton plant, making the plant toxic to insects feeding on it.

FARM ASSETS UP NEARLY 7%

The value of U. S. farm assets is expected to reach \$253 billion by January 1, 1966, or nearly 7% more than a year earlier, points out the Economic Research Service. Real estate values, which are indicated to be \$170.0 billion, will again account for the major part of the overall gain. Nonreal estate (motor vehicles and machinery) assets, at an estimated \$61.4 billion, are expected to be up \$4.1 billion, reflecting the continued heavy investments in improved and larger machinery. Farmers' financial assets may be around \$21.8 billion, up \$700 million from a year ago.

U. S. farm liabilities are expected to reach \$41.1 billion on January 1, 1966, compared with \$37.5 billion at the beginning of the current year. Real estate debts may total \$21.1 billion (up 12% from January 1, 1965), and nonreal estate debts to the Commodity Credit Corporation are indicated to be \$1.7 billion (an increase of 7%). Debts to other creditors are expected to total \$18.3 billion (up 7%).

H O U S I N G A S N E W U S E O F F O O D F O R P E A C E

Secretary of Agriculture Freeman recently signed, with a Republic of China (Taiwan) business firm, the first Food for Peace agreement which provides for construction of housing. The \$3 million contract is under the Title IV, Public Law 480, private trade credit program.

Under the agreement, the United States will supply 7,000 metric tons of corn and 10,000 metric tons of inedible tallow. The Taiwan firm will pay the Commodity Credit Corporation for these commodities in dollars over a 20-year period with an annual interest rate of 4 1/4%.

The Taiwan corporation will sell the commodities for use in livestock feed. The proceeds will be used to finance, in part, the construction of an apartment complex in the suburbs of Taipei to house approximately 1,200 Taiwan families.

L I V E S T O C K

For the 3-day trading period ended Wednesday, November 24, the pre-Thanksgiving holiday marketings of cattle and calves were sharply reduced. According to the Consumer and Marketing Service, the cattle supply totaled about 2,500, reflecting decreases of 48% from the preceding week and 29% from the corresponding 1964 period. Demand was fairly broad for most classes, and Wednesday quotations for slaughter steers were steady to 50¢ per cwt. lower than the previous week's close. Good and Choice 1,035- to 1,120-lb. slaughter steers sold at \$24.25 to \$24.75 per cwt., and Standard and Good 515- to 1,110-lb. animals cleared at \$19 to \$24.90. The majority of the mixed Utility and Commercial cows sold at \$14 to \$15. Demand for feeder cattle was broad each day, and closing quotations were strong to \$1 per cwt. higher than on the preceding Thursday. Good and Choice 535- to 760-lb. feeder steers cleared at \$22.70 to \$25.30 per cwt.

Calf marketings are placed at 1,625, compared with 2,150 a week earlier and 1,700 a year ago. Slaughter calf prices were steady to 50¢ per cwt. higher than in the previous week. Standard and Good grades of killing calves brought mostly \$19 to \$21.80 per cwt., and quotations for Good and Choice 270- to 475-lb. stocker steer calves ranged from \$20.60 to \$25.20.

Hog receipts, at an estimated 725, were 275 more than in the preceding week but 75 fewer than a year ago. Trading was active each day, and Wednesday quotations were fully 50¢ per cwt. higher than the previous week's close. The bulk of the 3-day supply of mixed U. S. No. 1 through No. 3 Grades of 185- to 300-lb. butchers cleared at \$23.50 to \$24.50 per cwt.

Sheep and lamb offerings were approximately 1,300, a figure that is about unchanged from a week ago but 13% below last year. Demand was broad for all slaughter classes, and prices were fully steady each day. Mixed lots of Good and Choice 70- to 105-lb. woolled slaughter lambs brought \$20 to \$22.50 per cwt., and 65- to 90-lb. shorn lambs cleared at \$21 to \$22 per cwt.

	Area	Week ended November 20, 1965	Percent change from	
			Previous week	Comparable week, 1964
BROILER CHICK				
PLACEMENTS	Texas.....	2,859,000	-2	8
	Louisiana..	671,000	-2	27
	23 States..	43,744,000	0	13