



AGRICULTURAL NEWS OF THE WEEK

FEDERAL RESERVE BANK OF DALLAS

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WORLD AGRICULTURAL OUTPUT

World agricultural production rose 1.5% in 1965, according to the U.S. Department of Agriculture. This increase, however, trails the population gain of approximately 2%, thereby extending for the third successive year the relative deficit in world agricultural output. Sharp production gains were reported in the Western Hemisphere, and record farm output occurred in Western Europe; however, there was a decrease in Eastern Europe, especially in the Soviet Union. A slight rise in agricultural production in the Far East masked a deteriorating food situation in India.

World output of major agricultural commodities varied widely in 1965. Commodities showing the largest gains over 1964 were soybeans, coffee, and olive oil; cotton production reached an all-time high. Rice output (including the crop in Communist China) almost equaled the large 1964 total, but wheat production was down slightly.

RECORD NUMBER USING FHA SERVICES

Secretary of Agriculture Freeman recently announced that a record number of more than 2 million rural people used Farmers Home Administration supervised credit services during 1965. Funds advanced through the FHA totaled an estimated \$915 million, or 50% more than the average amount loaned during the preceding 5 years. Nearly one-third of the total was provided by private lenders on an insured basis, and the rest was obtained mainly from collections on loans made in previous years. Collections of principal and interest amounted to \$560 million, compared with \$485 million in 1964.

AGRICULTURAL PRICES

The index of prices received by the Nation's farmers advanced 4% during the month ended December 15, 1965, to 259% of the 1910-14 average, points out the Statistical Reporting Service. Sharply higher hog prices - as well as price increases for eggs, cattle, and corn - were mainly responsible for the overall increase. Seasonally lower cotton prices were the only major price decline. The December index was 11% above a year earlier.

The parity index (which reflects prices paid for commodities and services, plus interest, taxes, and wage rates) as of December 15, 1965, was an all-time high of 324, reflecting gains of 1% over the preceding month and 4% over a year ago. The parity ratio, at 80, was 4% above a month earlier and the highest level since November 1962.

COMMODITY - FEED RATIOS

The hog-feed ratio (bu. of corn equal in value to 100 lbs. of liveweight hog) for the month ended December 15, 1965, stood at 24.8 (to 1), according to the SRS. This ratio compares with 23.7 a month earlier, is nearly double the average of a year ago, and is up 70% from both the December 1955-63 and the annual 1955-63 averages. The egg-feed ratio (lbs. of poultry feed equal in value to 1 doz. eggs) was 12.0 in December, 11.2 a month earlier, and 9.6 a year ago. The milk-feed ratio (lbs. of concentrate ration equal in value to 1 lb. of whole milk) stood at 1.53 in December, compared with 1.56 in the preceding month and 1.48 in December 1964. The commercial broiler-feed ratio (lbs. of broiler grower mash equal in value to 1 lb.

of liveweight broiler) was 3.0 in December, 3.1 in the preceding month, and 2.8 a year ago. The milkfat-feed ratio (lbs. of concentrate ration equal in value to 1 lb. of milkfat in cream) was 24.3, compared with 24.6 a month ago, and 23.5 in December 1964.

A I D F O R R U R A L C O M M U N I T Y S E W E R P R O J E C T S

The USDA recently initiated a new program of insured loans and grants to build modern waste disposal systems in rural areas. The USDA's Farmers Home Administration, which will administer the program under legislation passed in 1965, has issued the first loan-and-grant approval to the unincorporated community of Chilton in Falls County, Texas.

L I V E S T O C K

Fort Worth marketings of all classes of livestock except sheep advanced sharply during the week ended Thursday, January 6, reports the Consumer and Marketing Service. The cattle supply totaled approximately 4,500 head, or more than double that of the previous week but slightly below the corresponding 1965 period. Demand was moderately good for slaughter steers and heifers, but closing prices were 50¢ per cwt. lower than on the previous Thursday. Mixed Good and Choice 650- to 1,050-lb. slaughter steers brought \$24.40 to \$25.10 per cwt., and Utility and Commercial cows sold at \$15.25 to \$16.40. Demand for feeder cattle continued fairly broad, and prices were strong to fully 50¢ per cwt. higher than a week ago. High-Good and Choice 475- to 700-lb. yearling steers were quoted at \$24.30 to \$26.50.

Calf offerings are placed at 1,825, compared with 750 in the preceding week and 1,450 a year ago. Slaughter calf prices held fully steady. Good grades of 400- to 600-lb. killing calves brought \$22 to \$23.60 per cwt., and high-Good and Choice 300- to 500-lb. stocker steer calves cleared at \$24.50 to \$27.

Hog receipts were approximately 900, or 650 more than the previous week's limited supply and 75 more than a year earlier. Thursday quotations for barrows and gilts were generally 25¢ to 75¢ per cwt. lower than a week ago. The majority of the run was composed of mixed lots of U.S. No. 1 through No. 3 Grades of 210- to 275-lb. butchers, which sold at \$26 to \$27 per cwt.

A total of 800 sheep and lambs was received at Fort Worth during the week ended January 6, reflecting decreases of 11% from the preceding week and 50% from the comparable period last year. Prices were unchanged on all classes. Good and Choice grades of 60- to 96-lb. woolled slaughter lambs sold at \$23 to \$25.50 per cwt., and 92- to 98-lb. shorn lambs with No. 1 and fall-shorn pelts cleared at \$25.50.

	Area	Week ended January 1, 1966	Percent increase over	
			Previous week	Comparable week, 1965
BROILER CHICK PLACEMENTS	Texas.....	2,877,000	5	11
	Louisiana..	673,000	13	9
	23 states..	46,139,000	4	13