AGRICULTURAL OUTLOOK FOR 1958

Gross farm income of the Nation’s farmers is likely to be a little higher in 1958 than that in the preceding year, according to the United States Department of Agriculture. However, higher costs may offset most, if not all, of the increase, leaving net realized farm income about the same as in 1957. Food consumption in the United States is likely to remain at relatively high levels, and agricultural exports seem likely to remain large, although perhaps not as great as they were in the fiscal year ended June 30, 1957. Prices received by farmers this year may average about the same as those in 1957.

Farm production costs probably will continue to rise, but the increase is expected to be smaller than last year, when costs averaged about 4 percent higher than in 1956. Factory-produced items used in farm production make up the bulk of farm expenses; about 60 percent of all production expense is for machinery, gasoline, building materials, fertilizer, electricity, and similar goods and services.

Carry-over stocks of some important agricultural commodities were reduced during the past year. Stocks of wheat and cotton have been reduced, primarily because of expanded programs for the sale of cotton at world prices and shipments under Public Law 480, which permits payment in local currencies. However, stocks of these commodities are still large, and inventories of feed grains have increased to new record highs. The Department of Agriculture expects holdings of wheat and cotton to be reduced further by the end of the 1957-58 marketing year, but the increased carry-over of feed grains indicates that the prospect for a general reduction in total stocks of farm products in 1958-59 is not bright.

The following are summaries of outlook statements by the Department of Agriculture for some important commodities in the Southwest.

COTTON

The supply of cotton in the United States during the 1957-58 marketing year is estimated at about 22.2 million bales, or over 5 million bales smaller than a year earlier. The carry-over of cotton in the Nation at the end of the marketing year on August 1, 1958, is expected to be around 8.2 million bales, or considerably below the record supply of 14.5 million bales at the same time in 1956 and the smallest since 1953. Sharply higher export levels, coupled with declines in output, are mainly responsible for the decrease in carry-over.

United States disappearance of cotton during the 1957-58 marketing year is expected to be around 14 million bales. Domestic mill consumption is likely to be about 8.6 million bales, or almost the same as in the previous season. Exports are estimated at approximately 5.5 million bales, which would be about 2 million bales less than during the 1956-57 marketing year but would be higher than in any other season since 1949-50.

The national acreage allotment for all types of cotton in 1958 totals 17,637,814 acres, or only fractionally smaller than that for the 1957 crop. Participation in the 1958 Acreage Re-
serve Program cannot be estimated at this time, but funds available under the program may total about the same as last year.

FEED

Feed supplies for 1957-58 have set a new record high for the fourth consecutive year. Feed grains and other concentrates are at a record 214 million tons, or 7 percent larger than last year. Production of feed grains exceeded total domestic consumption and exports in each of the past 5 years. The cumulative effect of this imbalance has been to increase total carry-over from 20 million tons in 1952 to 47 million tons in 1957.

Despite the expected large United States domestic consumption and exports during the current feeding season, carry-over into the 1958-59 season is expected to increase further to around 57 million tons. Supplies of such a magnitude would provide adequate feed concentrates for the 1958-59 feeding year, even if the 1958 growing season should be the poorest in 50 years.

Among the feed grains, supplies of sorghum grain have increased the sharpest. The current supply of sorghum grain exceeds that of barley in total tonnage for the first time. The 1957 national sorghum crop is more than double the previous record production in 1955 and is triple the average output in 1950-54.

WHEAT

Total wheat stocks in the Nation for the 1957-58 marketing year are placed at 1,843 million bushels. This quantity is smaller than in the previous three seasons but is larger than for any season prior to 1954-55. The 1957-58 supply consists of a carry-over of 908 million bushels, production of 927 million bushels, and imports — mostly of feed wheat — of about 8 million bushels.

Domestic disappearance of wheat during the current marketing year is estimated at around 592 million bushels, or slightly larger than last season. Exports are placed at about 400 million bushels, which is sharply below the record 549 million bushels shipped last year. Improved crop conditions in some importing countries are likely to reduce this year's exports as compared with those in 1956-57. If domestic disappearance and exports total 992 million bushels, wheat carry-over at mid-1958 may reach 851 million bushels, representing a slight decrease from the previous year.

The 1958 wheat crop may be around 1 billion bushels, assuming average yields and abandonment and a 5 million-acre participation in the Acreage Reserve Program. Since domestic disappearance during 1958-59 is expected to remain around 600 million bushels, exports in excess of 400 million bushels would be needed to avoid an increase in wheat carry-over on July 1, 1959. An export volume of this magnitude could materialize, but it is likely that exports will not be large enough to result in a substantial reduction in wheat stocks.

The minimum national average support price for 1958-crop wheat is $1.78 per bushel, reflecting 75 percent of parity. The support prices for the 1956 and 1957 wheat crops were $2 per bushel.

RICE

The rice supply at the beginning of the 1957-58 marketing year is estimated at 63.5 million hundredweight. Domestic use is expected to total around 27.2 million hundredweight, and exports (mostly from Commodity Credit Corporation stocks under Government financing programs) may be about 19 million hundredweight. This disappearance would leave approximately 17.3 million hundredweight of rough rice equivalent on hand on August 1 this year. A carry-over of this size would be down sharply from the record 34.6 million hundredweight in 1956 but still would be more than triple the 1946-55 average.

The 1958 national rice acreage allotment has been set at 1,652,596 acres. Allowing for underplanting, abandonment, and participation in the Soil Bank, rice production this year could exceed the 1957 output by 5 to 10 percent, if growing conditions are average.

CATTLE

Rains in drought-parched grasslands during 1957, bumper crops in feed grain areas, and a record hay crop point toward an expansion in livestock production. The abundant feed sup-
ply, together with rising livestock prices, has provided the incentive for increasing cattle numbers; only the slow workings of the cattle cycle will partially mask efforts to expand output.

Slaughter rates during 1957 indicate that the numbers of cattle and calves on the Nation's farms and ranches on January 1, 1958, may be under those on hand a year earlier and may decrease for the next year or two. Time is needed for biological processes to reverse the downtrend in cattle numbers.

The most immediate change in the cattle situation is likely to be in the area of cattle feeding. The volume of cattle feeding during 1958 may rise to a new high, particularly in terms of tonnage. Fed cattle are likely to be marketed at heavy weights. Feeder cattle came off the range this past fall in good flesh and at above-average weight, and further feeding would provide a larger proportion of heavy cattle.

No substantial change in consumer demand for beef is expected, and prices for fed cattle in the current feeding season may average a little higher than those last season. Cattle feeders paid higher prices for their feeder stock during the fall of 1957 than a year earlier. However, cheaper feed may provide feeders with at least average profits.

POULTRY AND EGGS

When inventory data become available in February, potential layers on the Nation's farms at the beginning of this year are likely to show a 5-percent decline from a year earlier. Consequently, a similar decrease in egg output is expected during the peak spring laying period, despite the upward trend in laying rates per bird.

The smaller production will result in reduced egg supplies per capita, fewer eggs in storage, or a combination of both. Spring egg prices are expected to be above those of a year ago, and the higher prices and lower feed costs may encourage farmers to increase layers during 1958.

Broiler output is expected to remain large and may increase from the 1957 level, as a result of lower feed prices. Prices for broilers are likely to remain close to those received in 1957.

Prospects for the 1958 turkey crop are quite uncertain, but the number of birds produced may be below the record 80.6 million raised last year.

DAIRY

In 1957 the Nation's dairymen achieved records in milk production and in sales of and cash receipts from dairy products. New highs for each of the three are likely to be set in 1958. The prospective increase in population this year will just about absorb the 1 billion- to 2 billion-pound gain expected in milk output. Hence, a continued surplus of approximately 5 billion pounds of milk is likely.

Dairy price supports for the marketing year beginning April 1 have been set at levels which will reflect 75 percent of parity. During the current season, dairy supports are at 83 percent of parity for milk used for manufacturing purposes and 80 percent of parity for butterfat.

SHEEP AND WOOL

Reduced slaughter of lambs in the summer and fall of 1957 indicated interest in rebuilding sheep herds. The reduction failed to occur soon enough to have much effect on sheep numbers at the beginning of 1958; however, an increase may occur during the year. Sheep and lamb prices may remain about the same this year as those during 1957, when they were the highest in about 5 years.

If sheep numbers are increased, shorn wool production in 1958 may be up slightly from output last year. The incentive level for the 1958 wool clip has been set at 62 cents per pound, grease basis, or the same as for last year's clip.

1958 Cotton Prospects

All signs point to a good cotton year in 1958, according to a survey and review of opinions among cotton leaders, conducted by C. B. Spencer, Chairman of the Cotton Production Committee of Texas.

World cotton consumption has increased 5 million bales, or about 15 percent, in the past 6 years. Demand is growing as a result of an ever-expanding population, increased world buying power, and the improvement of living
standards in foreign countries. There is a strong demand for the better grades of cotton, according to Jack M. Craugh, head of the Dallas Cotton Exchange. He believes that farmers who plant good seed, control insects and diseases, and harvest and gin quality cotton have prospects of selling all of their 1958 cotton in the open market at prices above the 1957 loan level.

Commenting in a separate interview, Fred C. Elliott, Cotton Work Specialist of Texas A. & M. College, pointed out that per acre yields have moved up steadily as a result of application of information developed through research. He stated that present moisture conditions are the best in years and that Texas cotton growers have an excellent chance to establish an all-time high yield per acre.

The Cotton Production Committee of Texas recommends the following practices for farmers to maximize net income from cotton.

1. Plant all of their allotted acreage.
2. Irrigate, if possible.
3. Use fertilizer liberally on all land where its use will increase yields.
4. Control insects and diseases. This is a must, because potential insect and disease damage is greater when conditions are favorable for making a good crop.
5. Reduce hand labor by the use of equipment.
6. Harvest and gin the crop in such a way as to get the best possible grade; the strongest demand and the highest prices are for the better grades of cotton.

Commodity Credit Corporation holdings of desirable cotton have been reduced substantially, and American cotton growers will need to increase production in 1958 in order to supply foreign markets with quality fiber, according to the Cotton Production Committee.

**Economical Supplements Often Best**

The basic concept of efficient, economical livestock and dairy production is the use of feedstuffs grown on the farm or ranch, adequately supplemented with the nutrients which are deficient in these feeds, according to a report from the National Cottonseed Products Association. The supplemental nutrient which corrects a deficiency is the most important part of the ration because, without it, maximum benefits cannot be obtained from the other feeds.

On the other hand, including the unnecessary variety of high-cost feeds to do the job which can be done by a single efficient, economical ingredient is poor management, since cost is increased without additional return. Whether a livestock producer mixes his own feeds or buys a prepared supplement, he is wise to forget the glamour and mystery of unnecessary ingredient variety and insist on the most economical supplemental concentrate which will correct a known nutrient deficiency, according to the report.

In an experiment with producing milk cows, conducted by North Carolina State College, cottonseed meal was equal to a mixture of five protein supplements as a source of supplemental protein in the concentrate mixture. In another experiment in which dairy calf starters were compared, vegetable protein from a single source was equivalent to a mixture of two vegetable protein concentrates and nonfat dried milk.

In a third experiment at the college, a pig supplement containing equal parts of soybean meal and cottonseed meal was compared with a supplement containing equal parts of meat scraps, soybean meal, and tankage. The pigs required the same amounts of feed and made equal gains.

Beginning with this issue, the *Farm and Ranch Bulletin* replaces the *Agricultural News Letter*. We hope that you will like the change in format. The publication will continue to emphasize new research and developments in southwestern agriculture. As in the past, we welcome suggestions on how to make our publications of greater interest.