AGRICULTURAL OUTLOOK FOR 1959

Agricultural prices and farm income in the Nation, which in 1958 averaged the best in 5 years, may decline somewhat in 1959, reports the United States Department of Agriculture. Prospects are for (1) continued large supplies of farm products generally, with wheat and feed grain holdings especially burdensome; (2) slightly lower agricultural exports in 1958-59 than a year earlier; and (3) a strong domestic market, stimulated by a substantial rise in consumer income.

Farm product prices may average slightly lower in 1959, mainly because of reduced prices for hogs. Cash receipts from farm marketings are expected to be well maintained. Receipts from hogs and wheat may be somewhat smaller than in 1958, while receipts from cotton may be larger if acreage is expanded appreciably.

With the elimination of the Acreage Reserve Program in 1959, Soil Bank payments to farmers will be reduced substantially. This decrease in payments — coupled with increasing interest, taxes, and wage payments and other production expenses — could result in a 5- to 10-percent reduction in net farm income, depending largely on the level of crop production this year.

Prices paid for goods and services used in farm production during 1959 are expected to be higher than in 1958. Wage rates paid to hired labor and prices paid for nonfarm goods and services, except fertilizer, probably will average above last year's levels; prices of fertilizer are expected to remain about unchanged.

Land values, interest, taxes, and insurance costs probably will continue upward.

Stocks of wheat, which have been reduced moderately in recent years, will attain a new peak this crop year. Holdings of corn and other feed grains have risen steadily since 1952 and are expected to reach an all-time high in 1959. Cotton stocks, which were reduced sharply during the past 2 years, will show a further small decrease during the current season.

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 1958-59 marketing year (which began August 1, 1958) is placed at approximately 20.6 million bales, or 1.8 million bales less than the 1957-58 figure and substantially below the record 27.6 million-bale supply of 1956-57. Total disappearance this season is estimated at 12,250,000 bales. This disappearance will exceed the 1958 crop of 11.6 million bales, and a further small decline in carry-over is likely.

Cotton exports during 1958-59 are expected to total around 4 million bales, which would be 1.7 million bales less than in the preceding season and substantially below the 25-year high of 7.6 million bales shipped in 1956-57. Domestic mill consumption of cotton in 1958-59 probably will be around 8,250,000 bales, or somewhat above the 1957-58 level. The im-
provement in the Nation’s economy is expected to reverse the recent sharp decline in per capita consumption of cotton.

A national acreage allotment of 16 million acres and a national marketing quota of 12.2 million bales have been proclaimed for the 1959 crop of upland cotton. One of the uncertainties in the 1959 outlook is the extent to which farmers elect to take Choice B under the provisions of the Agricultural Act of 1958. Farmers who elect Choice B, thereby taking the lower price support for the privilege of planting more acreage to cotton in 1959, will receive a 40-percent increase in their individual farm allotments.

WHEAT

Total wheat supplies for the 1958-59 season (which began July 1, 1958) are placed at 2,352 million bushels, or 15 percent above the previous record in 1956-57. The supplies consist of a carry-over of about 880 million bushels, a record crop of 1,462 million bushels, and an allowance for imports of about 10 million bushels (mostly feeding-quality and seed wheat).

Domestic disappearance of wheat during the current season is estimated at about 610 million bushels, which is about the same as in recent years. Exports may total approximately 430 million bushels, compared with 402 million bushels in 1957-58.

The carry-over of old-crop wheat at the beginning of July 1959 will be the largest in the country’s history, and a further increase may occur a year later. The carry-over at the end of the 1958-59 marketing year probably will be about 1.3 billion bushels, which would be over 400 million bushels above the year-earlier level and about 265 million bushels more than the previous record in 1955. The increase in the carry-over this year will be the first since 1955. From 1955 to 1958, the carry-over was reduced 155 million bushels.

With acreage allotments and marketing quotas in effect for 1959-crop wheat and with the abolishment of the Acreage Reserve Program, about 55 million acres of wheat probably will be harvested in the United States this year.

Production of 1959-crop winter wheat is indicated at over 957 million bushels. If spring wheat output equals the average of the last 3 years, a 1959 total wheat crop of almost 1.2 billion bushels could be realized. Should disappearance hold at the 1958-59 level of 1,040 million bushels, a crop of this size would again increase the carry-over on June 30, 1960, by about 200 million bushels.

The “advance” minimum national average support price for 1959-crop wheat has been announced at $1.81 per bushel, reflecting 75 percent of the estimated July 1, 1959, modernized parity price for wheat. The support price for the 1958 crop was $1.82 per bushel.

RICE

The 1958-59 supply of rice in the United States is placed at 65.3 million hundredweight, or 2.1 million hundredweight more than a year earlier. Record yields and increased acreage boosted the 1958 crop about one-tenth over the 1957 output. This gain was more than sufficient to offset the reduction in carry-over.

Use of rice in this country during 1958-59 is expected to total about 26.5 million hundredweight, or slightly more than in 1957-58. Exports may reach approximately 27 million hundredweight, which would be sharply above the 18.3 million hundredweight in 1957-58. As a result, the carry-over at the end of the 1958-59 marketing season may be down to around 11.8 million hundredweight, or almost one-third below the year-earlier level.

During 1958-59, prices to farmers for rice are expected to average 30 cents or more above the support rate of $4.48 per hundredweight.

CATTLE

Cattle numbers on the Nation’s farms and ranches are turning upward after decreasing for 2 years. The inventory as of January 1, 1959, is estimated to be at least 2 million to 3 million head above the year-earlier figure.

Most of the increase in cattle herds is in cows and calves. Cow numbers are estimated to be up 500,000 to 1 million, and calf numbers are up even more. Some of the extra calves will be slaughtered in 1959, but others will be held
for breeding purposes or for later feeding. Total cattle slaughter for 1959 may be only slightly higher than in 1958.

Prices for cattle are expected to hold up well, but profits from feeding cattle will be smaller than in the past season, when they were exceptionally high.

DAIRY

Milk production in the United States in 1959 may be more nearly in balance with consumption of milk products in commercial outlets at prevailing support prices than in any of the past 6 years. Milk output decreased slightly in 1958, after rising in each of the five preceding years, and only a small increase in production is expected in 1959. With expansion of consumer incomes in prospect, total consumption of milk products probably will increase fully as much as the population.

Production of milk per cow undoubtedly will rise to another all-time high this year. The gain reflects the selection of animals with high production potential, feeding more concentrate feeds per head, and supplying more and better roughage.

Numbers of milk cows have decreased for nearly 15 years, except for a slight upturn in 1953. The number will show a considerable decline for the next year or so, although probably not as great as in 1958.

Cash receipts to farmers for milk products in 1959 may well exceed the record of $4.6 billion set in 1957. With the decrease in the number of dairy farms in recent years, income per dairy farm has been rising, even with a slight decline in gross receipts — such as occurred in 1958.

SHEEP AND WOOL

Domestic wool production in the United States in 1958 was about the same as a year earlier. Shorn wool output was up an estimated 2 percent, but with the slaughter of sheep and lambs running below the 1957 level, production of pulled wool probably was less than in the preceding year. As numbers of sheep are increasing, some further gain in shorn wool outturn is likely in 1959.

The outlook for wool prices during the next few months is uncertain. However, the average return to the producer will be the same as in the preceding season, since the incentive level is unchanged at 62 cents per pound. The Government payment rate needed to bring the average return up to the incentive level is expected to be considerably higher.

POULTRY AND EGGS

According to the Department of Agriculture, the poultry industry will increase the outturn of eggs and broilers in 1959. The increased number of potential layers on the Nation's farms practically assures a larger monthly egg output than a year ago through at least mid-1959 and probably for the remainder of the year. Prices for eggs and broilers in 1959 are likely to be lower than they were in the past year.

Turkey hatchings in recent months and farmers' intentions to keep turkey breeders are both greatly in excess of a year ago. However, the eventual size of the 1959 turkey crop probably will be influenced by current turkey prices and the record-high storage holdings.

FEED

The big feed grain crop of 1958 and record stocks dominate the feed outlook for the current season. The carry-over of feed grains, plus the large crop, resulted in a record feed grain supply for the 1958-59 season, which began October 1, 1958. Peak supplies of hay and high-protein feeds also are in prospect.

Utilization of feed grains and other concentrates has risen in recent years but has failed to keep pace with the increasing production. Despite the heavier utilization in prospect for 1958-59, the big 1958 crop is expected to boost carry-over into 1959-60 to a record level of about 75 million tons, or more than a fourth above the 1958-59 carry-over. Practically all of the increase will be in Government stocks.

The sorghum grain supply for 1958-59 of nearly 950 million bushels is more than three times the supply of only 2 years ago. The sorghum supply now exceeds barley in total tonnage and is nearly equal to the tonnage of oats.
Large supplies of oats and barley also are on hand for 1958-59. Record carry-over stocks into 1959-60 are in prospect for each of these three grains.

Feed grain prices in 1958-59 are expected to average a little lower than in the preceding season, reflecting larger production and a slightly lower level of Government price supports.

Rain Simulator Aids Conservation Research

A new device that simulates rainfall reduces substantially the time and cost of research on various phases of soil and water conservation. The United States Department of Agriculture states that the simulator eliminates the need to wait for natural rainfall; consequently, research which formerly required 10 to 25 years can be accomplished in as many months.

Experiments with the new device show the comparative effectiveness of different soil-and water-management practices in controlling runoff and erosion. In addition, the studies enable scientists to predict infiltration rates of farm fields under various conditions.

The USDA reports that the best simulation of rainfall has been obtained through the use of large, flat spray nozzles, directed downward from a height of 8 feet. These nozzles, which are mounted on frames, move back and forth across the plot, spraying in only one direction. The energy of impact, as well as the number and size of the drops, approaches that of natural raindrops.

Since most of the annual soil loss is caused by a few storms of great intensity, the simulator is designed to apply 2½ to 5 inches of "rain" per hour. The length of the simulated storms usually is about an hour.

Poultry Records — A Must

Poultry flock management problems can be solved only when information is available for decision making, says Ben Wormeli, Extension Poultry Husbandman with the Texas Agricultural Extension Service. The use of records provides a means for organizing needed poultry flock information into a form which can be analyzed and understood. Records can be very helpful to poultry flock owners in tailoring their management practices to meet present-day competition.

As an example of the value of complete records, Mr. Wormeli cites a cost-of-production study on laying flocks made during 1957 by the Department of Agricultural Economics and Sociology at Texas A. & M. College. The most profitable flocks showed an average return of $1.20 per laying hen, while the less profitable ones showed an earning of only 38 cents per hen.

For the 14 flocks studied, the average rate of lay was 217 eggs per hen, and the average flock size was 1,264 birds. The total cost of producing a dozen eggs in the flocks was 34.2 cents. Data kept by the flock owners showed clearly where the big expenses were; and by studying and analyzing their records, the owners had the basic information needed for making major changes in management practices, according to the specialist.

Summary forms for making cost studies may be obtained from local county agricultural agents. In addition, many commercial organizations with interests in the poultry field have cost accounting forms available, and fieldmen with these concerns will provide assistance in setting up a good accounting procedure for the poultry enterprise.

Many dairymen are keeping cows that aren't carrying their full load, says J. W. Davis, Extension Dairy Husbandman of the Texas Agricultural Extension Service. He recommends systematic culling based on accurate records as a means of getting rid of these "loafers," which don't produce enough to return a profit on the feed and labor they require. Milk weighing is the best practice for dairymen to follow to determine a cow's profitability.