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THE WHEAT SITUATION

A recent *Review of the U.S. Wheat Situation* by Secretary of Agriculture Freeman shows that both wheat and feed grain carryovers in the United States are down sharply from the high levels reached in 1961. The carry-over of wheat has been reduced by more than one-half, and that of feed grains has been cut by just over one-third. Total stocks of wheat and feed grains combined have dropped from 115 million tons in 1961 to 61 million tons in 1966.

The 1966 wheat crop in the United States, as of July 1, is placed at 1,240 million bushels, or 7 percent below last year's production. This decrease, occurring at a time when India and other food-deficit countries are requiring large imports of wheat, has caused considerable concern. A further reduction in the U.S. wheat carry-over is expected during the next year mainly as a result of present commitments and an anticipated heavy export demand; however, the U.S. Department of Agriculture does not expect the carry-over to decline to a level that is far below the desired holdings. Some persons have interpreted the reduction in wheat output as meaning that there will be a worldwide shortage of food. The USDA says that such a situation is clearly not the case.

The U.S. wheat carry-over this year of an estimated 536 million bushels (15 million metric tons) is backed by a carry-over of 51 million short tons of other grains (1.7 billion bushels in wheat equivalent), principally corn and grain sorghum. The United States can sup-

plement its concessional wheat exports, which usually take two-fifths or more of the total harvest, with concessional exports of corn or grain sorghum, depending upon the preference of the food-aid recipient country. Both of these grains are substaples in the diets of the peoples of Asia and Africa. Corn is consumed throughout much of Latin America.

Canada and France have a combined carryover of wheat totaling approximately 550 million bushels, or 3 percent above the U.S. holdings. This volume can be used to supplement concessional wheat shipments of the United States. Canada has already agreed to supply India, on concessional terms, with just over a million tons of wheat (about 40 million bushels) during the coming year.

According to the report, the United States has a responsibility to maintain adequate supplies of wheat for domestic use, as well as the responsibility of being the world's leading supplier of food. Under the Food and Agriculture Act of 1965, this Nation has a great deal of flexibility in adjusting both the level and the pattern of food production to meet worldwide needs.

In early May, President Johnson announced a 15-percent increase in the acreage allotment for 1967-crop wheat. The allotment totals 59 million acres, up 8 million acres from that for the 1966 crop. If normal weather conditions prevail, this acreage could produce a crop of about 1,555 million bushels. An outturn of this magnitude would be the largest crop ever

FEDERAL RESERVE BANK OF DALLAS DALLAS, TEXAS

harvested. The President has asked the Secretary of Agriculture to review carefully, over the next few weeks, the wheat situation at home and abroad, in order to determine whether it might be advisable to expand further the U.S. wheat acreage allotment for 1967.

Lower Hog Prices Forecast for 1967

Hog slaughter in the Nation likely will continue to expand and to average above last year's levels throughout 1966, according to the U.S. Department of Agriculture. The 1966 spring pig crop totaled 47 million head, reflecting a 10-percent gain over a year earlier. These animals will provide most of the slaughter supplies during the remainder of the current year. The fall pig crop (as indicated by June 1 farrowing intentions) is expected to be up 10 percent, which probably will reduce hog prices in 1967 sharply below the high levels of a year earlier.

From Wagon Wheels to Data Reels

A century ago, when crop reporting was first set up on a national basis, U.S. farmers traveled by horse and wagon to post their reports to Washington, D. C. Today, data are transmitted by fast communication methods and are processed and analyzed by electronic computing machines. Nationwide statistics on major crops, livestock, agricultural prices, and wages of farm labor have been published continuously by the U.S. Department of Agriculture since 1866. From the beginning, data have been collected on both domestic and foreign agriculture.

Since the early days, the collection of statistics has developed apace with the demands of the times. Crop and livestock estimates for U.S. agriculture are now the province of the Statistical Reporting Service and its network of 43 field offices that are financed cooperatively with the states. Raw data are derived from questionnaires mailed to hundreds of thousands of voluntary crop reporters; these data are supplemented by enumerative surveys and objective field measurements. Modern electronic computers are used for processing the vast amount of data obtained. Production information on every aspect of agriculture is released in hundreds of reports each year.

Collecting statistics on foreign agriculture is now the responsibility of the Foreign Agricultural Service. A global network, based on 94 agricultural attaches and officers, stationed at 60 key posts and covering more than 100 countries, provides current information on all of the major commodities moving in world trade.

As U.S. crop reporting enters its second century, it will become even more international in scope. Accurate agricultural reporting is necessary in order to sell this country's abundance in world markets and help friendly nations under such government programs as Food for Peace. The USDA says that diet deficits in food-scarce regions can hardly be defined, much less remedied, without knowing how much each country produces, how much it needs, and how its economy functions.

Farmland Values Continue Upward

The total value of U.S. farm real estate reached \$171.1 billion as of March 1, 1966, according to a current report of the Economic Research Service. Per-acre values averaged \$157, and the average value of land and buildings per operating unit rose to \$57,100. The national index of average value per acre reached 150 (1957-59 = 100), or 8 percent above a year earlier and 3 percent higher than in November 1965. Land prices are expected to continue upward through late 1966.

During the latter part of 1965 and early 1966, there was an increase in the number of persons desiring to purchase farms and a decrease in the number of farms being offered for sale. Nonagricultural factors in the rural land market have increased in importance as more land has been taken for suburbs, roads, and industrial uses.

Two-thirds of all farmland buyers during the year ended March 1, 1966, were active farmers. Sellers continued to be the major source of credit for farmland purchases. Three-fourths of the sales in each of the past 3 years involved credit. As a percentage of the sale price, debt incurred has trended upward. Sellers financed 38 percent of all credit sales in 1965; of these sales, more than three-fourths were by land contract. Among commercial lenders, commercial banks were the most frequent source of funds, followed by insurance companies and Federal land banks.

Compared with November 1, 1965, farmland values in the states of the Eleventh Federal Reserve District at the beginning of March 1966 were up 1 percent in both New Mexico and Oklahoma and 4 percent in both Louisiana and Texas. The farmland value in Arizona was unchanged. For the year ended March 1, 1966, farmland values advanced 4 percent in Texas, 5 percent in Arizona, 7 percent in Oklahoma, 9 percent in New Mexico, and 14 percent in Louisiana.

Medfly Found in Texas

The U.S. Department of Agriculture and the State of Texas have taken emergency steps to eradicate the Mediterranean fruit fly which has invaded Brownsville, Texas. The first "Medfly" was found in a trap on June 13 by workers with the USDA's Agricultural Research Service. Additional flies and larvae discovered since that date indicate that this dangerous pest has become established. How the Medflies entered this country is not known.

In order to eradicate the pest, most of the city of Brownsville will be treated with a mixture of malathion insecticide and a food attractant at the rate of 12 ounces per acre. Aerial treatments will be applied once a week until no more Medflies are recovered.

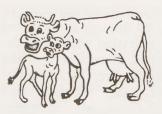
Fruits and other host materials that might harbor Medflies cannot be shipped from the area unless they are treated to free them from the pest. The Medflies attack a wide range of soft fruits and vegetables, as well as citrus. Damage is caused by the flies when the eggs are deposited beneath the skin of the fruit or vegetable. Larvae (maggots) hatching from the eggs burrow into the fruit and feed on the contents, making the fruit unfit for human consumption. When it is heavily infested, the fruit falls from the tree and rots.

Support Prices Increased

The U.S. Department of Agriculture recently announced a shorn wool incentive price of 66 cents per pound for the 1967 marketing year. This figure is 1 cent per pound higher than the 1965 level. The support price for mohair will be 76.4 cents per pound, or 0.6 of a cent per pound more than the present support price.

Secretary of Agriculture Freeman has raised price supports for manufacturing milk to \$4 per hundredweight, an increase of 50 cents. The price-support increase will be effective through March 1967. The action is expected to result in a price-support level of about 68 cents per pound for butterfat in farm-separated cream.

Shortage of Dairy Cows Seen



A critical shortage of dairy cows may occur in the future, according to Shannon Carpenter, Extension Dairy Specialist with Texas

A&M University's East Texas Research Station at Tyler. The number of dairy replacements is about 7 percent below a year ago, and the inventory of milk cows is the smallest in 50 years.

Mr. Carpenter says that there are several ways to reduce the shortage of dairy cows. The first method is to employ good management practices. The average productive life of a dairy cow is about four lactations; good care of dairy cows can boost this number to five lactations. The specialist recommends that replacement heifers be put in the milking barn at 24 months of age instead of the usual 30 months. With good feeding practices, a heifer may produce from 7,000 to 8,000 pounds of milk in the extra 6-month period.

In addition, all cows in the herd should be bred to dairy bulls. According to Mr. Carpenter, a cow that is worth milking twice a day is satisfactory for producing a calf for dairy purposes when bred to a good dairy bull.

Some Kind of a Record!

Cow Number 84-41, which was for 25 years a part of the herd of Texas A&M University's Pasture Station near Lufkin, died recently. Her last calf was born when she was 22 years old. She raised 18 calves, with a total weaning weight of nearly 9,000 pounds. Her mother was a full-blooded Hereford, and her sire was a purebred Brahman; consequently, she was a first cross.

E. K. Crouch, Superintendent of the University's pasture station, kept detailed monthto-month records on Cow Number 84-41 and her calves. The cow left 5 daughters, 2 grandsons, 7 granddaughters, and 1 great-granddaughter in the station herd. Mr. Crouch describes her as the perfect mother cow.

Artificial Respiration for Stillborn Pigs

Up to two-thirds of the apparently stillborn baby pigs can be revived through an improved method of artificial respiration which was devised by Elmer Krehbiel, Geneticist with the Agricultural Research Service. Mr. Krehbiel uses an ordinary soft plastic (polyethylene) funnel to adapt mouth-to-mouth resuscitation to newborn pigs. The flexibility of the plastic allows the funnel to fit tightly over the pig's nose and mouth. The specialist blows into the stem of the funnel, forcing air into the lungs of the nonbreathing pig.

Mr. Krehbiel attempts to revive only those nonbreathing pigs whose hearts are still beating. Resuscitation must start promptly. The complete procedure involves the following five steps:

- 1. Hold the pig by its hind legs, with its head down, in order to drain fluid from its nose and mouth.
- 2. Turn the pig, with its head up, and place the funnel over its mouth and nose.
- 3. Blow forcefully into the funnel.
- 4. Remove the funnel and allow the pig to exhale.
- 5. Repeat steps 2 to 4 at the rate of 15 to 20 times per minute.

After several repetitions, the pig should kick or show other signs of life. Lay the pig on its side or stomach and massage its chest and mouth. If it does not begin to breathe normally within a few seconds, artificial respiration should be resumed. Pigs have revived up to a half hour after the beginning of treatment.

New Process for Dairy Products

In an effort to improve skim-milk and whey powders, processors are experimenting with a modified foam-spray process. The process, which was developed by the U.S. Department of Agriculture, involves the use of liquefied gas.

Skim-milk powder made by the new method sinks and disperses readily in water, reconstituting, without foaming, into a flavorful nonfat milk. Whey also can be converted from a troublesome cheese-manufacturing waste into a powder that is useful as a food and feed ingredient. The USDA says that the process is especially valuable for cottage-cheese whey, a product which, because of its high acid content, is virtually impossible to dry by any other means.

New Pima Cotton Varieties

Two new extra-long staple cotton varieties for the Southwest will be available for production in 1967, reports the U.S. Department of Agriculture. The varieties have been named Pima S-3 and Pima S-4.

Pima S-3 is intended to replace Pima S-2 at elevations above 2,500 feet in Arizona, New Mexico, and Texas. Its higher fruiting characteristic and lower lodging tendency will facilitate machine harvesting. The longer staple length of Pima S-3 will produce a better yarn and will be a marketing advantage.

Pima S-4 is intended to replace Pima S-2 at elevations below 2,500 feet in Arizona. Its major advantages over Pima S-2 are its longer fibers and higher yields. Pima S-4 begins fruiting relatively low on the plant but continues to fruit throughout the growing season. Compared with Pima S-2, the new cotton variety has a slightly lower lint percentage, similar fiber strength and spinning performance, and slightly finer fiber.