

L-111

1948

A LOOK AHEAD for Texas Rural Families

1949



Issued by
The Extension Service
The Texas A. & M. College System
and the U. S. Department of Agriculture
Ide P. Trotter, Director, College Station

Rural Family Living in 1949

Cost of family living appears to be near its post-war peak. It might rise a bit more, but not much, and may soon ease slightly.

FOOD . . . Increased supplies, but not much drop in price

Increased food supplies from record 1948 crops have improved the outlook for world food supplies in 1949. But as long as employment, the general price level for all products, and incomes of consumers are high, Texas families can expect food prices to average only a little lower. Record grain crops may result in larger meat supplies in the latter part of 1949, but prices of meat are not likely to average much below 1948.

CLOTHING . . . Prices staying up

Clothing prices, under existing conditions, will remain high during the winter and may even go higher because of fabric and labor costs and increased freight rates.

HOUSING . . . Record production, but still not enough

There has been a record production of building materials the last two years but it has not been enough to meet the demand, and shortages still exist in some types of lumber, wire nails, cement, cast iron soil pipe and galvanized steel.

Prices of building materials have increased steadily—117 percent since 1939 and 13 percent this past year. Since production cannot keep up with construction and with the number of major items which are on the critical list, it is not likely that prices will be lowered soon. However, Texas farm and ranch

families who can afford it, will probably continue to build.

HOUSEHOLD EQUIPMENT . . . Demand and prices continuing high

The demand for household equipment continues high, but substantial progress has been made in filling the backlog of demand for electric washing machines, electric refrigerators and vacuum cleaners.

Prices continue to rise but the rate of increase is slowing down. The heavy demand is expected to keep prices high for some time.

The outlook for electric service is the brightest it has ever been.

As new consumers are connected to rural power systems, there will be an increased interest in modernizing farm and ranch houses and in buying electrical equipment.

HOUSE FURNISHINGS . . . Improved quality, supply more nearly meeting demand

The supply of furniture, floor coverings, textile house furnishings and house wares is much more adequate than since prewar years.

Most home furnishings have improved in quality and utility, as new and improved production methods were brought into use during the years of scarcity.

Prices have continued to rise, but they have not risen as rapidly as in previous years. Some of the basic raw materials used in housing construction are also used in the manufacture of furniture, such as lumber and steel, and as long as there are shortages in such materials, there is not likely to be any general decline in prices. The shortages are not as severe as a year ago.

ANOTHER GOOD YEAR IS IN PROSPECT FOR

NET FARM INCOME MAY AVERAGE
ONLY A LITTLE UNDER 1948.

- On things farmers and ranchmen sell:
Demand holding up. Industrial activity, employment, consumer income, exports, government spending continuing high. Marketing may be less. Likely not record grain crops again. Livestock numbers down.
- On things farmers and ranchmen buy:
Prices of non-agricultural items, such as some building materials and farm equipment, probably will be as high or higher.

LIVESTOCK AND POULTRY

MEAT ANIMALS . . . Numbers down,
prices to continue good

Feed prices should be lower in relation to meat animal prices. The spread between cost of feed and prices of meat animals is favorable to feeding operations.

It seems certain that less beef, veal, lamb and mutton will be produced in 1949 than in 1948. Livestock numbers on Texas farms and ranches are down.

Reduction in other kinds of meat will just about be offset by higher pork production. A sharp rise in the number of sows to farrow next spring is expected. An increase in pork production from spring pigs will come late in 1949.

Total meat supplies will not differ greatly in 1949 from 1948. Changes in prices of meats and meat animals will be due mainly to changes in demand. Late fall run of hogs next year is expected to bring a sharper seasonal price decline than usual. Prices for beef and beef cattle in 1949 in comparison with prices for pork and hogs may be higher if the expected drop in beef production shows up.

POULTRY . . . Favorable early in 1949,
price downturn due

The demand for poultry products will probably remain strong in Texas during most of 1949, with some decline expected by fall.

Egg prices on farms are likely to continue above 1948 levels during the first quarter of the year, but are expected to *average* slightly lower for entire year.

For chickens and broilers, Texas producers may get lower returns the last quarter of the year. Turkey prices are also likely to be lower than for 1948, particularly during heavy marketing months.

Feed supplies, including proteins, are good. Poultry feed prices are down considerably. This means a more favorable ratio of egg prices to feed costs than for last year.

DAIRY . . . Strong demand,
with concentrate feed plentiful

Texas dairymen can expect strong demand for their 1949 production. Expanded outlets for fluid milk with fewer cows milked indicate favorable prices, if high employment levels continue.

Supplies of feed grains and protein feeds will permit heavier feeding this winter. However, hay and pasture prospects are generally unfavorable over the state, except in localized areas. Acute shortage of forage may bring herd reductions in some Texas localities.

Increased output per cow will increase returns to the more efficient operators despite higher labor and equipment costs.

WOOL . . . Prices better in 1949

Texas wool producers may receive prices averaging higher than the support level of about 42 cents in 1949. Wool prices, after remaining near support levels for nearly two years, improved substantially in the summer of 1948. Wool stocks are down and are expected to continue relatively scarce in 1949.

TEXAS FARM AND RANCH FAMILIES IN 1949

CROPS

COTTON . . . Domestic and export demand strong; stocks building up

Position of cotton seems less favorable than in past few years, since domestic prices of cotton already are at loan levels and prospects are that both domestic and world carry-over will increase during current year.

A favorable aspect of the situation of interest to Texans is that exports of raw cotton are expected to increase in the year ahead.

A large crop in 1949 might result in quotas being proclaimed for the 1950 crop. Price supports will continue in 1949 at not less than 90 percent of parity.

WHEAT . . . Stocks higher, prices lower

The 1949 outlook for wheat is for another large crop. Export requirements in 1949-50 marketing year may be reduced from present levels. Carry-over stocks at the end of that year probably will be materially larger than at the beginning of the marketing year.

Indicated 1949 wheat seeding for United States runs around 79 million acres—10 percent above the national goal. Texas' goal of 6.5 million acres is 12 percent above the 1948 harvested acreage.

If a larger carry-over of wheat materializes, Texas growers may find that 1949-50 wheat prices in relation to the loan rate average lower than in 1948-49.

FEED GRAINS . . . Big crops boost supplies, drop prices

Grain supplies this year are large for all sections. Protein feed supply will be near record.

Total feed concentrate supply, including grains and by-product feeds, is about one-fourth larger than last year and the largest on record for the number of livestock to be fed.

Feed grain prices are expected to average considerably lower this winter than last, largely because of the heavy supply. Prices of oats, barley and grain sorghums have declined to support levels.

Storage space should be an important consideration for producers of cash grain in 1949.

VEGETABLES . . . Increased production; prices little lower

Vegetable growers of Texas should have another good year in 1949 but prices should be somewhat lower.

Per capita consumption of vegetables over the years is on the increase. Prices for fresh vegetables look some better than prices of processed vegetables.

Acreage planted to commercial truck crops will be greater in 1949 than in 1948. The vegetable market will likely benefit from the increase in refrigerator cars and the extension of orderly marketing programs.

PEANUTS AND FLAX . . . Supply increasing, prices rest on government support

The fats and oils outlook in Texas is somewhat weaker than last year due to bumper crops of cottonseed, flaxseed, soybeans and peanuts and to the large supplies on hand.

Price received for 1949 peanuts will probably revolve around the support price.

Support price for flaxseed will be much less than the \$6 Minneapolis basis received last year.

FERTILIZER AND EQUIPMENT

Supplies fairly plentiful, costs up slightly.

Texas farmers are using more commercial fertilizers. This trend is likely to continue in 1949.

Supply of nitrogen materials is expected to be about 10 percent greater next year than in 1948, but still to fall short of demand.

Prices are expected to remain near 1948 levels, with slight increases reflecting higher freight charges.

Supplies of machinery and equipment are expected to be adequate in most lines. New developments in tractors and haying equipment are expected.

Prices for machinery will follow closely the price of steel—a little higher than in 1948. Machinery allocations proposed for export in the European Recovery Program may be another factor upping prices slightly.

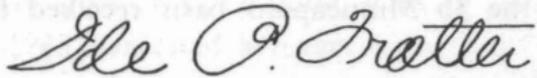
To Texas Rural Families:

This is the first annual outlook statement prepared in this form by the Extension Service of the Texas A & M College system. Additional outlook information will be available periodically throughout the year from your county Extension agents.

Each year we need to make careful yet flexible farm and home plans so as to use our resources more soundly and to live more comfortably. Moreover, since farming is subject to so many hazards and variables, we should check our plans often in the light of current operations and outlook.

We have tried to digest the agricultural outlook into a brief statement and hope that you find the material helpful in making more effective farm and home plans for 1949.

We request your criticisms and suggestions regarding this statement in the hope that we can make future releases fit your needs better.



IDE P. TROTTER

Director

Cooperative Extension Work in Agriculture and Home Economics, The Texas A. & M. College System and the United States Department of Agriculture cooperating.

Distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914.