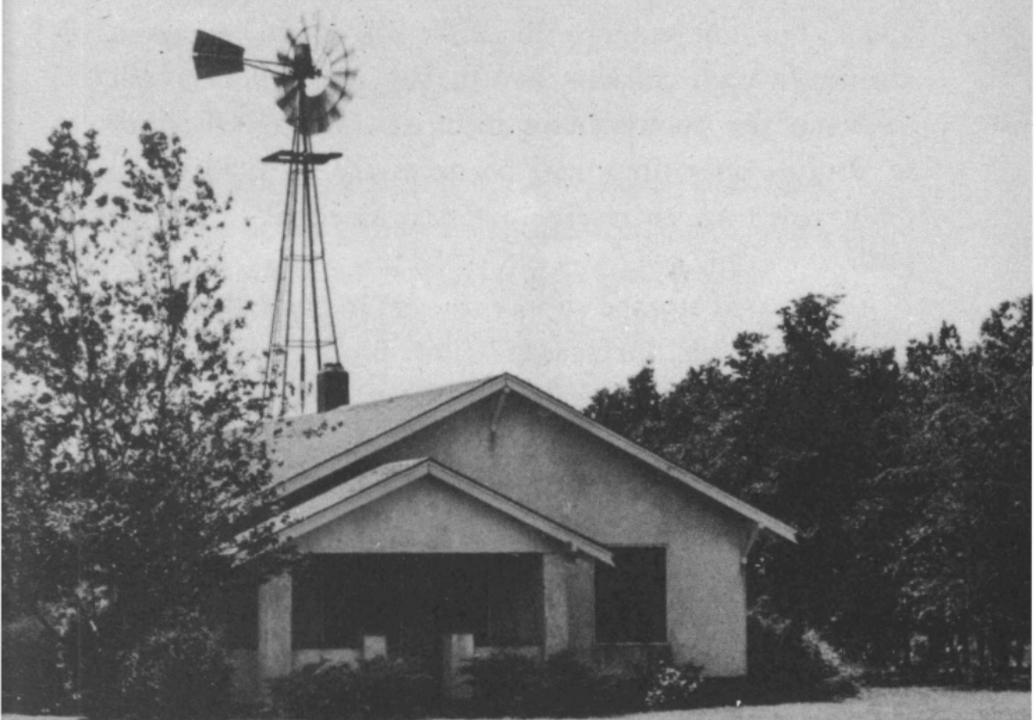


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1949

A LOOK AHEAD
for
Texas Rural Families

1950



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G. G. Gibson, Director, College Station

Rural Family Living in 1950

Over-all family living expenditures are not expected to be cut as quickly or as much as the over-all rural income.

FOOD . . . Supply greater, consumption as high, prices may drop a little

Food supplies in general are a little larger than a year ago. Food consumption per capita probably will be at least as high this year as in 1949 and might even increase slightly. Consumer buying of food will be encouraged by the plentiful supplies and by the slightly lower retail prices which appear likely. Don't expect food prices to drop as much as the prices you receive for your products.

CLOTHING . . . Lower prices probable, supply generally good

Prices paid by rural families for clothing dropped seven percent from a postwar high in September, 1948 to June 1949. Whether the downward trend in prices continues will depend upon what happens to the general economic situation.

Supplies at retail should be generally good during 1950. However, if the downward trend in prices continues, retailers, wholesalers and manufacturers may continue to buy cautiously and shortages may show up from time to time.

Buying of clothing remained at a high level in 1949 with some decline in the latter half of the year. Indications are that purchases of clothing will continue at high levels during 1950, if incomes remain high. Declines will first be noticed in the so-called "style" articles of clothing.

HOUSING . . . Adequate supplies, very slow decline in cost

Increased production of construction materials has virtually eliminated shortages in spite of large volume of construction. Reasonably large stocks of many items are on hand.

A few items, such as pipe, remain in short supply, but indications are that all items essential for agricultural use will be met in 1950. However, prices will decline very slowly in 1950—materials and certain items show a trend toward increased prices. Items in least demand will drop in cost first. Except in a few instances, major items such as lumber, steel, cement, etc., will probably show little or no decline until after next summer's seasonal building activity.

The Housing Act of 1949 will stimulate work on the large number of rural homes which still need improvement. Continued construction, remodeling and repair on a large scale are anticipated for Texas farms and ranches.

HOUSEHOLD EQUIPMENT AND FURNISHINGS . . . A buyer's market for many items

There is a slow but certain movement from a seller's to a buyer's market for many durable goods.

Families are now able to buy many household items at lower prices than last year—approximately five percent lower.

There may be fewer items from which to select, for dealers have decreased inventories, yet supplies of most house furnishings and equipment are adequate at present and should continue to be adequate if there is sufficient demand by consumers.

Standard models of equipment which are made of the same materials and operate as efficiently but cost less to operate than deluxe models may be considered when buying equipment.

INCOME SLIGHTLY BELOW 1949 IN PROSPECT

PRICES OF FARM PRODUCTS SOLD IN 1950 WILL PROBABLY DROP FASTER THAN PRICES OF PRODUCTS YOU BUY

- In regard to products farmers and ranchmen sell: Consumer incomes, industrial and business activity, employment and exports may be at a little lower level. Total farm marketings expected about the same. Production of livestock and livestock products up a little; crop production down a little.
- In regard to products that farmers and ranchmen buy: Prices of farm machinery, seed, fertilizers, equipment and supplies, slightly less; farm wage rates down very little.

CROPS

COTTON . . . Stocks up sharply, consumption unchanged, prices easing downward

Cotton situation is less favorable than a year ago. The supply is up about three million bales with no increase in the disappearance of American cotton expected. Increases in use of domestic cotton may be offset by decreases in export.

The carry-over is expected to total about 8.2 million bales at the end of the current season.

Prices of cotton are expected to ease downward with the loan rate. Prices for the 1950 crop will be supported at 90 percent of parity.

WHEAT . . . Slight price drop expected

The 1950 outlook for wheat is for another large crop. Assuming normal weather, a billion bushel crop could result even with acreage allotments.

Carry-over next July 1st is expected to be about

equal to the supply on July 1, 1949. Exports may be lower by 10 to 20 percent, but even so, greatly above the prewar average. Domestic use should continue at about the present annual level of 700 million bushels.

The support price for wheat under the 1949 Agricultural Act remains at 90 percent of parity. The parity index may decrease slightly during the next year with market prices staying close to the support level.

PEANUTS AND FLAX . . . 1949 crops large, demand declining

Increase of edible fats and oils in storage is likely to result in decreased demand for oilseed crops in 1950.

Prices of peanuts and flaxseed are to be supported in 1950 by Commodity Credit Corporation purchases—mandatory supports for peanuts at 90 percent of parity, permissive supports on flax reduced from 90 to 60 percent for 1950. Flaxseed purchase price should be around \$2.05 per bushel, compared to \$3.50 in 1949.

Allotted peanut acreage for 1950 not less than 2.1 million acres compared to 2.6 million for 1949.

FEED GRAINS . . . Record supplies, prices easing downward

The supply of feed grains will be the largest on record, both in total supply and per unit of livestock.

Prices are expected to remain below loan rates during most of the year. Livestock-feed price ratios may become somewhat less favorable for feeding.

The carry-over of grain on October 1, 1950, will be about one-fourth larger than the record carry-over from the 1948-49 season, making an average or above average feed supply probable during the 1950-51 season.

The supply of by-product feeds will be about as large as last year with prices remaining high in relation to grain prices.

SOURCE OF INFORMATION: Situation

FOR TEXAS FARM AND RANCH FAMILIES IN 1950

LIVESTOCK AND POULTRY

MEAT ANIMALS . . . Uptrend in quantity of meat produced

Almost all of the increase in meat production will be in pork. For Texas farmers and ranchmen, this upward trend probably means moderately lower prices.

About seven to ten percent more pork may be produced next year than in 1949. The 1950 spring pig crop may exceed the 1949 crop by five percent or more.

Prices of hogs in 1950 are expected to average lower than in 1949. The monthly average hog-corn price ratio for 1950 also will probably be down from 1949, although still somewhat above the long-time average.

About as much beef and veal may be produced in 1950 as in 1949. With demand continuing strong, prices of beef and cattle may not average much lower than in 1949.

Production of lamb and mutton, already very small, may be reduced more in 1950 if present rebuilding of sheep herds continues. Prices of sheep and lambs are expected to be relatively higher than prices of other livestock.

POULTRY . . . Demand expected to be in line with consumer income

Prices of poultry rations are expected to be somewhat lower, but not enough to offset all of the expected decline in egg, chicken and turkey prices which will influence the poultrymen's income. Greater efficiency in poultry operations will be necessary in 1950 if the poultrymen are to receive net returns equal to that of 1949.

Anticipated storage supply of eggs in the fall of 1950 will compensate for seasonal low production.

Because of the increase in laying stock and anticipated heavy egg yield in the spring of 1950, large marketings of layers are expected. This will increase poultry storage stocks which in turn will influence prices of other poultry meats.

Poultry products are in a non-basic, non-mandatory

group of agricultural commodities and are not designated for priority in support price activities, but may be supported from 0 to 90 percent of parity at the discretion of the Secretary of Agriculture.

DAIRY PRODUCTS . . . Demand off slightly, favorable production prospects

Demand for dairy products may be expected to drop slightly in 1950, due to slightly lower consumer incomes. If present employment levels continue, price declines should be moderate.

Record supplies of grain and concentrates will permit heavy feeding; however, the milk-feed price ratio is less favorable than a year ago. Reduced acreages in cash crops should bolster pasture and silage output in 1950.

Net returns to Texas dairy producers next year probably will be lower than for 1949, since prices are declining faster than are production costs.

WOOL . . . Herds down, wool clip record low

Prices of wool are likely to average somewhat lower in 1950 than last year, even though support prices to producers may be increased as a result of the Agricultural Act of 1949.

FERTILIZERS AND EQUIPMENT

FERTILIZERS . . . Supplies greater, cost about the same

Supplies will be substantially greater than a year ago; costs will be about the same over-all. Nitrogen may be cheaper, phosphates and potash about the same or higher.

Texas farmers will use more fertilizers in 1950 than ever before. The supply of nitrogen materials will be about 15 percent greater than in 1949, phosphate 15 percent greater, potash 10 percent greater. These larger supplies will still be below requirements.

Local shortages may occur due to transportation bottlenecks.

FARM EQUIPMENT . . . Adequate supply, some decline in prices

Practically all items of farm machinery were in sufficient supply in 1949 and adequate supplies are in prospect for 1950. Some decline in prices is noted and production has exceeded purchases, so further trend toward buyer's market is expected.

Tire prices were lower in 1949 than any year since 1942, and should not increase much in 1950.

Numbers of tractors and total volume of other machinery now on farms are larger than ever before. Expected trend is toward increased amount of machinery and mechanized agriculture for Texas farms and ranches.

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

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