

TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas and the Southwest

Bureau of Business Research
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GENERAL

One of the outstanding developments during the month was the improvement in the lumber industry. The January reports of Texas mills to the Southern Pine Association are indeed encouraging. The sections of the reports devoted to stocks on hand and unfilled orders are the most promising for many months. Building permits were 1.3 per cent above those in January a year ago, and cement plants maintained an active schedule. Daily average flow of petroleum declined and a stronger tone obtained in the gasoline market.

The outlook in agriculture is promising. Beneficial rains fell in all parts of the State, bringing to an end the drouth and stimulating the growth of winter crops. Considerable field work was completed and the planting of early crops made excellent headway in the southern areas. Shipments of fruits and vegetables increased seasonally to an amount almost equal to that of a year ago.

Cattle ranges declined to 78 per cent of normal and cattle deteriorated 5 points to 80 per cent. Some early calves are coming and losses are slight. The condition of sheep was placed at 88 per cent of normal and sheep ranges were rated 79 per cent. The lamb and kid crops are expected to be large this year. Wool and mohair prices continued the advance. Animals have wintered exceptionally well up to the present time.

Textile mills had a good month. Cotton goods sales were in large volume but unfilled orders continue to decline. Spinners margin went up 2 points, the first increase for eight months. Car loadings are below those of a year ago, and exports of cotton and wheat were relatively light.

Debits to individual accounts were above those of a year ago, and borrowings at member banks increased seasonally. Interest rates averaged $\frac{1}{2}$ per cent higher than December rates, and the rediscount rate at the Dallas Federal Reserve Bank was advanced from $3\frac{1}{2}$ per cent to

4 per cent early in February. Department store sales were 7.4 per cent greater than those in January a year ago, while wholesale sales were about in equal volume.

Industrial stock prices advanced, but rail prices remained the same as those in December. Wholesale prices changed very little. Fisher's new index based on 1926 as equal to 100 stood at 96 on February 1 against 95.9 on January 1. Bradstreet's remained practically unchanged at 13.53 on February 1, while Dun's declined from 192.8 to 191.9 in the 30-day period. The Bureau of Labor Statistics all-commodity index fell from 96.8 in December to 96.3 in January, while the farm price index advanced from 104.4 to 106.1 in the 30-day period.

FINANCIAL AND BANKING

The volume of checks cashed during January indicates that business is expanding in the Eleventh Federal Reserve District in a satisfactory manner. Debits to individual accounts in the seventeen principal cities of the district for the five weeks ending February 2 totaled \$964,000,000 against \$938,000,000 for the same period in 1927, or an increase of 2.7 per cent. Moreover, wholesale prices are slightly lower so that the showing is even better.

Loans and discounts at member banks increased seasonally from \$334,000,000 at the beginning of January to \$342,000,000 for the week ending February 1. Both time and demand deposits increased and the amount of Government securities owned remained about unchanged. Interest rates are higher. Rates on 60-90 day commercial paper in New York City averaged 4 to $4\frac{1}{2}$ per cent and call rates were around $4\frac{1}{2}$ per cent most of the time. The rediscount rate at the Dallas Federal Reserve Bank was advanced from $3\frac{1}{2}$ to 4 per cent early in February. Most of the reserve banks are now on the 4 per cent basis. The higher rediscount rate coupled with the Federal Reserve Board policy of selling Government securities is tending to tighten interest rates and to check speculation.

Business in Texas and the Southwest began the new year under favorable conditions. Although some industries are rather slow in getting started, expansion was experienced in most lines. The agricultural outlook is bright, the livestock industry is encouraging, and a large spring building program is expected. The financial situation is sound and ample cheap credit is available for present needs. The feeling of hesitancy so noticeable during December lost most of its force and a more optimistic sentiment has developed. So far as can be determined at this time, there are no unfavorable influences which are likely to cause a severe business slump.

FINANCIAL STATISTICS FOR THE DALLAS FEDERAL RESERVE DISTRICT*

	January, 1928	December, 1927	January, 1927
Bank debits (five weeks).....	\$ 964,000,000	\$ 990,000,000	\$ 938,000,000
Government securities owned, end of month.....	72,000,000	71,000,000	48,000,000
Member bank borrowings, end of month.....	4,488,000	3,800,000	3,954,000
Demand deposits, end of month.....	313,000,000	305,000,000	270,000,000
Time deposits, end of month.....	115,000,000	114,000,000	103,000,000

*From the Federal Reserve System.

DEPARTMENT STORE SALES

Department stores in twenty-four cities of the State had a fairly good month. Total sales of seventy-two stores reporting to the Bureau of Business Research amounted to \$3,809,000 in January compared to \$3,548,000 in January, 1927, or an increase of 7.4 per cent. Sixty-five identical stores show a seasonal decline of 53 per cent in sales from December to January, but there was an increase of 50 per cent in sales from November to December so that this erratic movement appears to be normal. Fifteen cities report gains, whereas only nine record losses; the gains and losses are fairly well distributed over the State.

JANUARY TENDENCIES IN TEXAS
DEPARTMENT STORE SALES

	January 1928	January 1927	Percentage change
Sales of 72 com- parable stores	\$3,809,000	\$3,546,000	+ 7.4
	January 1928	December 1927	
Sales of 65 com- parable stores	\$3,643,000	\$7,719,000	-53%

Retail stores in the United States as a whole declined .8 per cent in January compared to January of 1927, according to the Federal Reserve System. Seven of the districts report losses and five show gains. The Chicago District had the greatest gain with an increase of 11.4 per cent, while the Philadelphia District with a decrease of 5.2 per cent shows the greatest loss.

TEXAS CHARTERS

That the outlook for future business is encouraging is indicated by the number of new companies being organized. During January, 259 charters were issued to new enterprises by the Secretary of State. This is nearly double those of January, 1927, and compares with 161 in December. The increase from December to January is a seasonal movement, but the increase this year is much greater than usual. The 259 corporations had a capitalization amounting to \$23,147,000 against \$6,807,000 for the 131 companies in January of 1927. Eighty-two companies increased their capitalization by \$4,900,000 and thirty-five permits were granted to outside corporations to operate within the State. Three building and loan associations were capitalized at \$1,000,000 each

and one saving and loan society was capitalized at \$10,000,000.

The number of oil companies was double that of January a year ago and public service corporations increased from one to nine in the same period. Manufacturing companies remained about the same, while financial institutions and real estate firms show a large growth. The general list was also nearly doubled.

TEXAS CHARTERS

	January 1928	December 1927	January 1927
Number	259	161	131
Capitalization ..	\$23,147,000	\$33,268,000	\$ 6,807,000
Foreign permits ..	35	32	23
Classification of new corporations:			
Oil	13	17	7
Public Service ..	9	4	1
Manufact'ng	18	10	19
Banking and Finance	15	8	4
Real Estate- building	27	35	15
General	177	87	85

COMMERCIAL FAILURES

Commercial failures during the first month of the year were the fewest for any January since 1920. There were but sixty-six insolvencies having liabilities of \$1,571,000 compared to 134 failures involving \$2,348,000 in January, 1927. An increase in the business mortality rate from December to January is a normal movement and a comparison of the two months should be made from that standpoint. However, companies going into bankruptcy were larger on the average last month. During January the average liabilities per failure amounted to \$24,000, whereas the average loss was but \$12,000 in December and \$18,000 in January of 1927. No bank failures were reported.

COMMERCIAL FAILURES*

	January 1928	December 1927	January 1927
Number	66	42	134
Liabilities	\$ 1,571,000	\$ 503,000	\$ 2,348,000
Assets	\$ 557,000	\$ 266,000	

*From R. G. Dun & Co.

STOCK PRICES

The upward trend of industrial stock prices continued during the first month of the year. The bull element has been in control of the market since early in 1924, resulting in an advance of 300 per cent in stock prices during the four-year period. The market advances on favorable news and disregards bearish influence. The raising of the rediscount rate by two of the Federal Reserve Banks caused but a slight recession of prices, all of which was regained soon after the announcement was made public.

Six of the seven industrials comprising the Bureau of Business Research index advanced during January and one declined slightly. The index, based on the average of 1923-24-25 as equal to 100, went up from 238 in December to 245 in January and compares with 167 in January of 1927.

Rails have not shared in the advance since last July. At that time, car movement began to decline and each succeeding monthly report reflected the poor earnings.

As a result, the rail index has moved downward or sideways for six months. The Bureau of Business Research rail index remained the same as that of December, or 183, and compares with 145 in January a year ago. There were six declines against three increases. However, the increases of the three roads were equal to the declines of the other six lines.

STOCK PRICES

In constructing this index of rail and industrial stock prices, the Bureau of Business Research aimed to select companies which are representative of conditions in Texas and other Southern States and at the same time listed on the New York Stock Exchange where quotations are available for a number of years back. The average weekly high for the years 1923-24-25 is the base equal to 100. Included in the industrial stock index are Coca Cola, Freeport-Texas, Gulf States Steel, Tennessee Copper and Chemical, Texas Company, Texas Pacific Coal and Oil, and Texas Gulf Sulphur. The railroads used in the index are the Atchison, Topeka & Santa Fe; Chicago, Rock Island & Pacific; Gulf, Mobile & Northern; Missouri, Kansas & Texas; Missouri Pacific; New Orleans, Texas & Mexico; St. Louis & Southwestern; Southern Pacific; and Texas Pacific.

INDEX OF INDUSTRIAL STOCKS

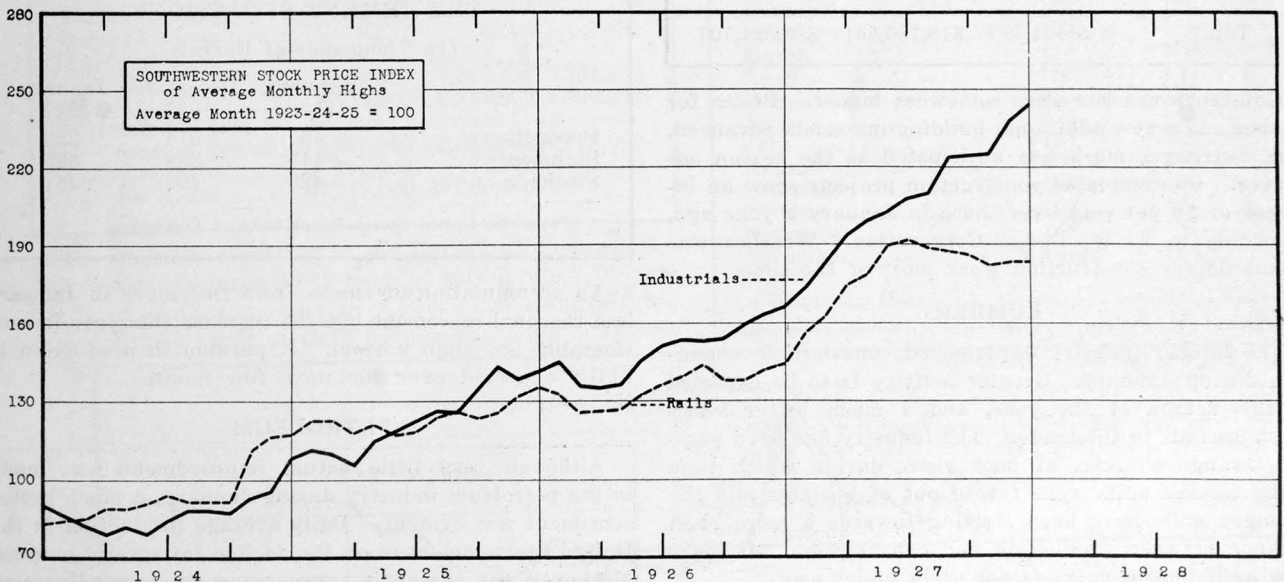
Average High 1923-24-25=100

	1928	1927	1926	1925	1924
January	245	167	142	108	90
February		174	146	112	86
March		184	136	110	83
April		194	135	106	79
May		199	137	116	82
June		203	146	120	79
July		208	151	124	84
August		210	154	127	88
September		224	153	126	88
October		225	154	135	87
November		226	159	144	93
December		238	164	139	96

INDEX OF RAILROAD STOCKS

Average High 1923-24-25=100

	1928	1927	1926	1925	1924
January	183	145	136	118	83
February		157	133	123	85
March		164	125	123	85
April		175	126	118	89
May		179	127	122	89
June		190	133	117	91
July		192	136	119	95
August		190	140	125	97
September		189	144	126	97
October		186	138	124	97
November		182	139	126	111
December		183	143	133	117



BUILDING

Building and construction during January reflect the generally satisfactory condition of these industries in Texas. Final reports of thirty principal cities in the State show a total of \$9,464,295 in permits compared to

\$9,321,707 in January, 1927, or a gain of 1.3 per cent. While the increase is slight, it indicates a steady growth and strengthens the view that the State is not in an overbuilt condition at this time. Eighteen cities report increases and eleven show declines as compared with last

year. Most of the decreases were in the southeastern part of the State and in the Panhandle.

Houston calls for the greatest amount with San Antonio second and Fort Worth third. Austin shows the outstanding increase with a total of \$591,923 in January compared to \$27,150 in January of last year. Ranger, Sherman, and Lubbock also show large gains.

BUILDING PERMITS

	January 1928	December 1927	January 1927
Abilene	\$ 79,715	\$ 212,650	\$ 188,215
Amarillo	307,675	143,768	1,022,340
Austin	591,923	38,271	27,150
Beaumont	204,429	189,449	187,919
Brownsville	59,470	117,280	200,000
Brownwood	141,650	80,770	146,450
Cleburne	14,450	8,300	7,190
Corpus Christi	389,820	97,760	111,755
Corsicana	26,375	7,850	22,905
Dallas	619,989	352,525	412,624
Del Rio	205,690	63,530	8,505
El Paso	101,236	106,419	32,485
Fort Worth	1,099,278	3,891,744	919,271
Galveston	165,552	172,485	586,662
Houston	2,676,217	2,195,119	3,213,316
Laredo	14,000	6,000	56,000
Lubbock	230,455	77,126	95,875
McAllen	27,500	28,490	294,900
Marshall	32,836	10,135	27,837
Paris	61,825	38,000	127,330
Port Arthur	59,944	44,035	92,904
Ranger	19,550	6,700	3,850
San Angelo	397,148	633,863	220,798
San Antonio	1,137,371	740,970	805,746
Sherman	160,461	28,625	30,700
Sweetwater	52,950	84,860	26,825
Temple	107,675	22,850	82,005
Tyler	24,605	20,257	40,848
Waco	232,633	43,300	109,035
Wichita Falls	221,873	705,805	220,177
Total	\$ 9,464,295	\$10,186,561	\$ 9,321,707

Construction costs were somewhat higher. Prices for lumber and a few additional building materials advanced, and a stronger market is anticipated as the season advances. Contemplated construction projects show an increase of 50 per cent over those in January a year ago, according to F. W. Dodge Corporation. Weather was favorable for construction work most of the time.

LUMBER

The lumber industry experienced considerable expansion during January. Greater activity is to be expected at this season of the year, and a much better sentiment prevails in the trade. The industry has been passing through a series of poor years during which time many weaker units were forced out of business and the stronger mills have been striving towards a more even balance between production and consumption. It looks now as if improvement is definitely under way.

Thirty-one mills in Texas reporting to the Southern Pine Association for January produced a total of 63,481,000 feet of lumber, compared to an output of 43,873,000 feet in December by twenty-six mills. Shipments increased from 46,473,000 feet in December to

69,717,000 feet in January. Stocks on hand per mill at the end of the month decreased 8 per cent. Average unfilled orders per mill increased 77 per cent or from 708,000 feet in December to 1,252,000 feet in January. Prices for most grades of lumber advanced.

THE LUMBER SITUATION*

(In Thousands of Feet)

	January 1928	December 1927
Preliminary report of 104 mills in the Southwest—		
Average production	1,994	1,900
Average shipments	1,927	1,868
Average unfilled orders	1,382	1,286
Final report of 31 Texas mills—		
Average production	2,048	1,686
Average shipments	2,249	1,780
Average stocks	5,949	6,472
Average unfilled orders	1,252	708

*From the Southern Pine Association.

CEMENT

Production of Portland cement in Texas mills was the highest for any January on record. Output for the month totaled 463,000 barrels against 383,000 barrels in January a year ago, an increase of 21 per cent. However, there is one more mill in operation, and this accounts for at least part of the increase. Shipments amounted to 447,000 barrels compared to loadings of 365,000 barrels for the same month last year. Stocks went up from 407,000 barrels in December to 423,000 barrels in January.

THE CEMENT SITUATION*

(In Thousands of Barrels)

	January 1928	December 1927	January 1927
Production	463	514	383
Shipments	447	358	365
Stocks	423	407	461

*From the United States Department of Commerce.

An accumulation of stocks from December to January is a seasonal movement but the increase this year is considerably less than normal. Expansion in production is to be expected over the next few months.

PETROLEUM

Although very little actual improvement was made in the petroleum industry during January, a much better sentiment was evident. Daily average production in the United States has been on the decline for several months. Moreover, the season is approaching when gasoline consumption will be increased. These two influences should tend towards a better balance between consumption and production. Daily average production in Texas dropped from 670,000 barrels in December to 648,000 barrels in January. Total output for the month amounted to

20,088,000 barrels, compared to 20,027,000 barrels in January, 1927.

Field activity was greater during January than in December but considerably less than in January last year. Five hundred and seventeen wells were drilled, of which 282 were producers, against 647 new wells in January a year ago, 418 being successful.

Crude prices were lowered slightly in a few districts, but the market generally appears to be somewhat stronger. Gasoline prices were raised a fraction of a cent for tank wagon delivery.

THE PETROLEUM SITUATION*
(Production in Thousands of Barrels)

	January 1928	December 1927	January 1927
Production—			
Total	20,088	20,775	20,027
Daily average	648	670	646
Wells completed	517	496	647
Producers	282	251	418

*From the Oil Weekly.

COTTON CONSUMED

Activity of textile mills in the State was considerably above expectations. Despite the fact that curtailment throughout the United States was general, Texas mills maintained a schedule similar to that in December and output of most mills was above that in January, 1927. Practically all mills operated at full time.

TEXAS COTTON MANUFACTURERS REPORT

	January 1928	December 1927	January 1927
Mills reporting	20	19	18
Bales of cotton used	8,882	8,505	7,481
Yards of cloth—			
Produced	7,166,000	7,587,000	6,961,000
Sales	3,799,000	3,157,000	4,370,000
Unfilled orders (end of period)	8,030,000	8,344,000	7,927,000
Active spindles	201,000	174,000	175,000
Spindle hours	57,719,000	60,000,000	

Twenty mills reporting to the Bureau of Business Research manufactured 8,882 bales of cotton into 7,166,000 yards of cloth compared to 8,505 bales manufactured into 7,857,000 yards of cloth by nineteen mills in Decem-

ber. Cloth sales amounted to 3,799,000 yards in January against 3,157,000 yards in December, and unfilled orders fell off 314,000 yards. At the present rate of production, unfilled orders are equivalent to about five weeks run. A downward trend in unfilled orders has been noticeable for several months. The twenty mills are equal to about 90 per cent of the industry in the State.

SPINNERS MARGIN

Spinners margin increased in January. This is the first time in the past eight months that the ratio has advanced. It has been suggested several times in the TEXAS BUSINESS REVIEW that yarn and cotton prices were out of balance and that a readjustment was slowly taking place.

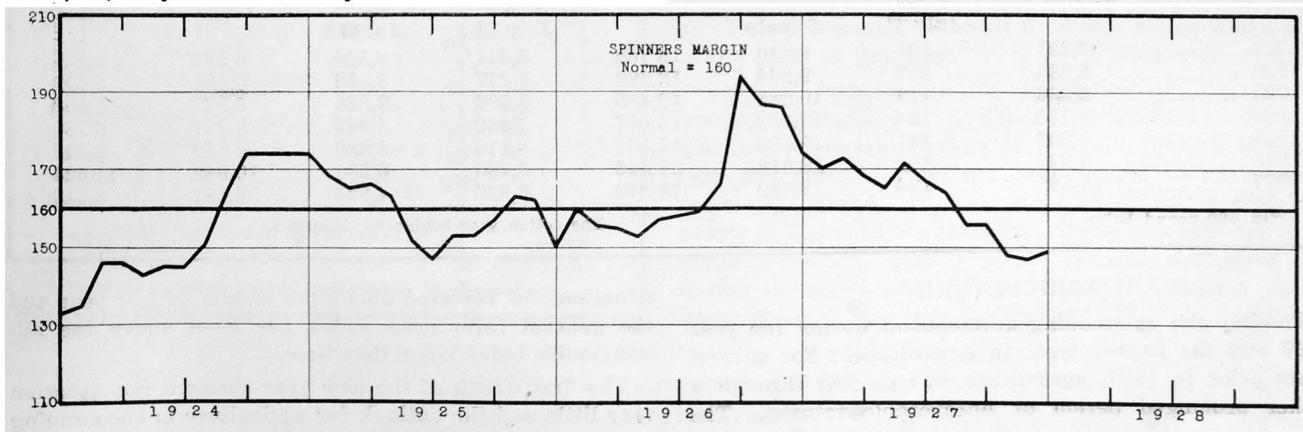
In January American middling cotton in Liverpool averaged 10.75d and 32-twist cotton yarn in Manchester averaged 16d against 10.84d for cotton and 15.94d for yarn in December. During the first week of January, yarn was quoted at 16.25d and cotton at 11.08d. By the end of the month, yarn had fallen to 15.75d or a decline of 50-penny points, while cotton dropped 70-penny points to 10.38d. The greater relative decline of cotton caused the ratio to go up 2 points, or from 147 in December to 149 in January. At this figure, the ratio is still about 11 points below normal.

Spinners Margin refers to the ratio between the price of American 32-twist cotton yarn in Manchester and the Liverpool price of middling American cotton. Normally, the price of 32-twist should be 60% above the spot price of American middling cotton. If prices change so that the ratio increases, the spinners' margin of profit is increased and thereby the demand for cotton is strengthened. On the other hand, when the ratio decreases, the spinners' margin is also relatively decreased, and then the demand for cotton falls.

SPINNERS MARGIN

	1928	1927	1926	1925
January	149	174	150	174
February		179	160	168
March		173	156	165
April		168	155	166
May		165	153	163
June		172	157	152
July		167	158	147
August		164	160	153
September		156	166	153
October		156	194	157
November		148	187	163
December		147	186	162

Normal=160.



COTTON

Sentiment in the cotton trade is mixed. Most factors on the supply side are bullish. The past season's crop was relatively light, consumption is at record rate, and exports, although below those of a year ago, are heavy. Moreover, industrial expansion is making headway, thereby strengthening the demand for cotton. Partly offsetting these favorable influences are the slow spot demand, the poor yarn market, decreased consumption and exports, and the possibility of increased acreage during the coming year. Too, fertilizer sales have increased sharply, and it is generally conceded that the recent cold spell killed large numbers of boll weevil.

This divergence of opinion was soon reflected in the market. The trade concluded that the bearish factors outweighed the bullish influences, and as a result prices declined rather sharply. December New York futures were quoted at 18.68 cents at the beginning of January and closed on January 31 at 17.15 cents, or a loss of \$7.65 a bale.

Ginnings in Texas prior to January 16 as reported by the Census Bureau amounted to 4,131,000 bales. Since running bales in the State are averaging considerably over 500 pounds, it seems quite likely that the Department of Agriculture's estimate of 4,280,000 bales will be harvested. Practically all cotton has been gathered. A recent survey by the State Commissioner of Agriculture indicates that farmers in Texas are holding over a half million bales and are asking 20 cents or better for it.

Weather generally was favorable for the preparation of fields for early planting. Recent rains added season to the soil, although more moisture is needed in some sections. Some planting has already been done.

Exports are declining and port stocks are below those of a year ago. During the month, 582,000 bales were used in the United States against 605,000 in January of 1927, or a decrease of 12.6 per cent.

COTTON BALANCE SHEET

The supply of cotton in the United States on February 1 was reduced to 8,113,000 bales, the smallest amount on that date since 1924.

This balance is obtained by adding the sum of the Census carry-over on August 1 and the imports since that time to the December 1 estimate of the Crop Reporting Board and subtracting the exports plus consumption. Linters are excluded.

Since 1921, the smallest supply on February 1 was in 1924 and the greatest supply was last year. The decrease from last year to this amounts to 3,311,000 bales. During the last six years, changes in the supply have amounted to 12,643,000 bales. For the same six years, price changes deflated by the Bureau of Labor Statistics index have totaled 2,660 points, or a change of 21 points for each change of 100,000 bales in the supply. Using the same ratio of change, a decrease in the supply of 3,311,000 bales on February 1, there should be an increase of 695 deflated points. Based on the supply in the United States alone, middling spots in New Orleans should be 19.25 cents a pound, or about $1\frac{1}{4}$ above current quotations. A better balance between supply and price is in evidence this month as compared with the past three months.

During January, 582,000 bales were used in the United States. This makes a total of 3,626,000 bales for the first half of the cotton year, the largest on record. Exports are more than 2,000,000 bales less than those of last year for the same six months.

The report of the Association of Cotton Textile Merchants of New York for January is less optimistic than that for January a year ago. Production amounted to 298,000,000 yards against 229,000,000 yards in January, 1927. Sales were but 194,000,000 yards, or 65 per cent of production, compared to sales of 377,000,000 or 165 per cent of production in January a year ago. Shipments were but 90 per cent of production whereas they were 114 per cent last January. Moreover, stocks on hand increased 9.1 per cent in January this year compared to a decrease of 12.6 per cent last year and unfilled orders decreased 18.8 per cent against a rise of 39 per cent.

COTTON BALANCE SHEET AS OF FEBRUARY 1 IN THE UNITED STATES

(In Thousands of Running Bales)

Year	Carry-over August 1	Imports* since July 31	December 1 estimate	Total	Consumption since July 31	Exports since July 31	Total	Balance
1921	7,231	197	8,340	15,768	3,011	3,520	6,531	9,237
1922	3,085	277	9,964	13,326	3,272	3,362	6,634	6,692
1923	2,286	118	10,081	12,485	3,096	3,831	6,927	5,558
1924	1,770	154	13,153	15,077	2,952	5,345	8,297	6,780
1925	1,807	151	15,603	17,561	3,176	5,383	8,559	9,002
1926	2,637	191	18,618	21,446	3,435	6,587	10,022	11,424
1927	3,295	186	12,789	16,270	3,626	4,531	8,157	8,113

*In 500-pound bales.

The cotton year begins on August 1.

AGRICULTURE

Possibly the outstanding development during the year 1927 was the improvement in agriculture. For several years prior to 1927, agriculture was passing through a rather prolonged period of unfavorable returns. The

situation was reversed about the middle of last year and the general farm price index has been above the all-commodity index since that time.

The first month of the new year changed the situation very little and the outlook for agriculture is encouraging

for the first half of the year at least. Frost damage early in January has been largely overcome; the loss to crops will be largely offset by higher prices. Decreased acreage of some early truck crops will be made up by larger plantings of others. Excellent headway in early plantings is being made in the Valley and the Winter Garden sections, according to the Texas Market News Service. Shipments of fruits and vegetables from these districts are very heavy.

Moisture fell generally over the State early in January and weather since that time has been such as to encourage growth of fall grains and winter weeds and grasses. Before the rains, fall grains in North and Northwest Texas were deteriorating quite rapidly but improvement since has been very marked. Winter pastures are holding up fairly well and feed is ample where needed.

Prices for most farm products recorded but small changes. Fruits and vegetables were mostly upward, especially after the frosts. Citrus fruits especially were quoted at higher prices. Corn prices were marked up but wheat dropped slightly in sympathy with larger shipments from Canada and Argentina. Cotton prices also trended down.

CARLOT SHIPMENTS

Shipments of fruits and vegetables are about in line with the usual seasonal increase. If acreage planted may be used as an indication, loadings over the next few months are likely to increase and compare favorably with those for the same months last year. During the month, a total of 3,660 cars was loaded, against 1,634 in December and 3,915 in January last year. Due to frosts early in the month, the spinach crop received a severe setback, and as a result loadings declined sharply. This accounts for the smaller shipments this year as compared with last. Loadings of cabbage, grapefruit, and sweet potatoes were especially heavy.

TEXAS FRUIT AND VEGETABLE SHIPMENTS*

(In Carloads)

	January 1928	December 1927	January 1927
Mixed Vegetables.....	1,162	565	1,153
Spinach	913	422	1,439
Cabbage	1,130	169	975
Grapefruit	239	284	174
Sweet Potatoes.....	162	80	92
Cauliflower	16	4	21
Onions	1		
Lettuce	24	1	37
Tomatoes		54	9
Oranges	3	7	1
Potatoes	6	21	11
Green Peas.....		1	1
Mixed Citrus.....	4	17	2
Peppers		5	
Eggplants		1	
String Beans.....		3	
Total	3,660	1,634	3,915

*From the United States Department of Agriculture.

Prices of fruits and vegetables were rather weak in January. However, after the frosts at the beginning of the month the market firmed quickly and considerably higher quotations were general. The last week or ten days, however, has experienced some weakness in the market. Satisfactory progress is being made with early planting in the Valley and Winter Garden sections.

LIVESTOCK

The livestock industry is a little less encouraging than it was a month ago. The extended drouth in large areas of the State had a telling effect on the condition of both ranges and animals. Stock generally were in good flesh last fall and have wintered thus far with but little deterioration and scarcely any loss. Many producers have been forced to feed; this is especially true for breeding stock and young animals. There is more feeding this year than last.

During the past three weeks, rains have been quite general and the higher temperatures obtaining stimulated growth of weeds and grass. More moisture is needed in many districts in order to insure better ranges for the rest of the winter and the early spring. However, ample hay and other feeds are available for all requirements and there is little cause for apprehension about the outcome of the winter. Hay and feed prices are advancing.

In its February 1 report, the Department of Agriculture places the condition of cattle ranges in Texas at 78 per cent of normal. This compares with 82 per cent in December and 88 per cent in January a year ago. Cattle deteriorated 5 points to 80 per cent of normal, compared with 89 per cent at the same time in 1927. Making due allowance for the drouth, this is a fairly good showing. Some early calves are coming and indications are that the spring crop will be large.

Sheep ranges declined 5 points to 79 per cent on February 1, compared with a rating of 93 per cent for the same period last year. Winter weeds made poor growth. The condition of sheep remained at 88 per cent, the same as last month, compared to 91 per cent on February 1, 1927. Goats were rated at 88 per cent against 87 per cent last month and 92 per cent a year ago. Sheep and goats have wintered very well up to the present time. Losses have been negligible. The lamb and kid crops are expected to be large this spring. Wool and mohair prices advanced. Several large clips of wool sold for 42 cents to 43 cents a pound, or about 5 cents a pound above last year's sales at this time.

Seasonal increases in the production of poultry and poultry products had a depressing effect on markets and resulted in lower prices. Moreover, large quantities of eggs and frozen poultry are being placed on the market from cold storage. It would seem, therefore, that higher prices at this time are unlikely. Dairy products are in a similar position. Butter prices trended downward all during the month and are now 3 cents to 4 cents a pound under those of last year at this time.

Shipments of livestock to Fort Worth were heavy. Total receipts at these yards for the month, as reported by the Fort Worth Stock Yards Company, amounted to 146,889 head. This compares with 174,759 head in December and 119,528 head in January of 1927. Cattle, calves, and sheep were below those of December, while hogs were materially increased.

Prices were mostly downward for cattle. However, part of the decrease is due to poorer quality of animals offered. For the week ending February 11, handy-weight hogs on the Fort Worth market were bringing $8\frac{1}{4}$ cents a pound, or a decrease of $\frac{1}{4}$ cent from the month previous. Prime beef steers averaged 11.90 cents, against $12\frac{1}{4}$ cents a month earlier, and calves brought $11\frac{1}{2}$ cents to

12 cents, up $\frac{1}{2}$ cent. Best lambs advanced 2 cents a pound and sold for $14\frac{1}{2}$ cents, and muttons brought 9 cents to 10 cents, or a gain of 1 cent a pound.

LIVESTOCK RECEIPTS AT FORT WORTH*

	January 1928	December 1927	January 1927
Cattle	71,885	91,488	59,920
Calves	16,474	29,036	12,220
Hogs	40,161	24,917	29,547
Sheep	18,369	29,318	17,841
Total	146,889	174,759	119,528

*From the Fort Worth Stock Yards Company.

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