

TEXAS BUSINESS REVIEW

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



Bureau of Business Research
The University of Texas



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GENERAL

The general business situation during September in Texas and the Southwest was marked by a lagging tendency which developed at the close of the summer. Some industries had a very favorable month, and their outlook for the remainder of the year indicates further gains. On the other hand, several industries report business as being very slow with but little promise of a change for the better. Texas is in a much more favorable position than other states. Cotton prices are high, and the crop promises to be comparatively large; cattle prices are the highest since 1920, and hog prices are advancing. Wool and mohair are selling at 3 cents to 5 cents above last year's prices. Moreover, fall ranges are in good condition and there is an abundance of winter feeds. Most of the grain crops were sold before the drop in prices. The poultry crop is larger than that of last year. Production of fruits and vegetables for winter shipments is expected to be considerably above last year's output. Textile mills are in a healthy condition, and cement plants and building supplies companies have had a good year. The building program for the year has been very large. Trade at wholesale and retail has been good. Exports and imports are heavy.

The petroleum industry continues in an unfavorable condition, although some improvement has been made of late, and the outlook is a little brighter. Daily production appears to be on the decline and the storage problem has been cared for.

After beneficial rains fell generally over the State during the early part of the month, the weather turned warmer and rapid progress was made in harvesting of crops. Too, the warmer days were most favorable for the germination of fall grains and the growth of grass and weeds which furnish pasturage for livestock. Harvesting of the cotton crop is progressing rapidly; about 70 per cent of the crop is already gathered, according to recent estimates.

Livestock improved during the month and recovered most of the loss suffered in August. The United States Department of Agriculture reports an improvement of 1 to 2 points in the condition of animals and a rise of 3 to 4 points in the condition of ranges. Shipments are running ahead of last year's loadings, most of the increase being accounted for by larger runs of sheep and hogs. Prices for the most part are high.

The building industry made a good showing, even though total permits for the month fell a little short of those

in August. When allowance is made for seasonal influences, this is a good showing. Contracts awarded were 12 per cent below those of August, but contemplated constructions projects were 30 per cent above the projects in September of 1926. Both production and shipments of lumber were below the August figures, while stocks at the end of the month decreased.

This is the slack season for fruits and vegetables, and shipments fell to 194 cars, sweet potatoes and watermelons accounting for the bulk of the loadings. Prices for the most part were firmer with a slight upward trend.

Cotton mills were active most of the month, but the final production fell below the August outturn. However, unfilled orders were up sharply, indicating steady activity for the next few months. Spinners' margin dropped 8 points to 156, or 4 points below normal. The ratio at 156 is against the spinner and foreshadows a change in prices of cotton and yarn until a more normal balance is obtained.

Trade at wholesale and retail fell off seasonally and was below that of August. Retail sales in Texas were 3.2 per cent below those of September a year ago, according to the Federal Reserve System. The decline in the Dallas district is considerably above the average for the entire country. For the country as a whole, the decline was but .1 per cent. The increase in fall sales is very slow in materializing.

Wholesale prices averaged higher in September according to the Bureau of Labor Statistics. The Bureau's revised index based on prices in 1926 as equal to 100 stands at 96.5 for September compared with 95.2 in August and 99.7 in September of last year. The index of farm products is placed at 105.9 against 99.3 for the same month in 1926.

Interest rates continue low. The re-discount rate of 3½ per cent adopted by the Dallas Federal Reserve Bank on August 12 remains in effect, thereby insuring ample cheap credit for the movement of crops. An abundance of funds is available for business needs and many banks are placing loans in the larger financial markets "on call" so that the surplus money will not be idle. Reserve Bank loans to member banks show a decline of 14 per cent from the August borrowings, and debits to individual accounts were slightly above those of September of last year. Time deposits were lower, but demand deposits increased 5 per cent over August figures. Commercial failures were the smallest in several years, while new enterprises receiving charters were considerably above those of August.

While business generally is passing through a period of hesitancy and some industries are depressed, yet the underlying principles are sound and progress is being made. Speculation, if it exists at the present time, is confined to the stock market. The agricultural situation is favorable, labor is well employed, and wages are high. As far as can be determined at this time, there is no drastic setback awaiting business during the next few months.

TEXAS CHARTERS

The number of new enterprises applying to the Secretary of State for charters in September was greater by forty than those in August, whereas in both 1926

and 1925 there was a drop in the number of new charters from August to September. A total of 149 new enterprises received charters, compared to 109 in August and against 166 in September of last year. Most of the companies were comparatively small, as indicated by the capitalization, which amounted to \$4,626,000. Permits were granted to fourteen outside companies, or nine less than in August.

The number of oil companies was more than twice that of August, and the number of real estate firms was three times as large. Manufacturing concerns fell from eighteen to six in the 30-day period, and three public utilities were chartered. Increasing land values and the favorable agricultural outlook are stimulating real estate activity.

TEXAS CHARTERS					
	September 1927	August 1927	September 1926	Third Quarter 1927	Third Quarter 1926
Number of Charters.....	149	109	166	453	556
Capitalization	\$4,626,000	\$36,059,000	\$11,374,450	\$98,999,000	\$37,777,450
Classification of new Corporations:					
Oil	13	6	23	32	88
Public Service.....	3	1	2	10	5
Manufacturing.....	6	18	11	48	31
Banking and Finance.....	9	9	14	34	31
Real Estate and Building.....	23	8	11	48	30
General	95	67	105	281	371
Foreign Permits.....	14	23	26	67	110

FAILURES

Commercial failures fell materially below the August insolvencies and were the smallest for any month since July of 1925. Liabilities were also reduced to the smallest

figure in more than three years. During the month, 37 companies went into bankruptcy, compared to 45 in August and 44 in September of last year. One bank failure is reported for the month. Small companies again account for most of the failures.

COMMERCIAL FAILURES*					
	September 1927	August 1927	September 1926	Third Quarter 1927	Third Quarter 1926
Number	37	45	44	120	166
Liabilities	328,000	481,000	682,000	1,543,000	2,084,000
Assets.....	217,000	262,000			

*From R. G. Dun & Co.

STOCK PRICES

Stock prices advanced again during September. Aside from a few temporary setbacks, the market has trended upward since the middle of 1924. The rise during the first nine months of this year is possibly greater than any similar period in the history of the New York Stock Exchange. The upward movement is general throughout the entire list of stocks, despite the fact that some individual issues in each group have not shared in the rise.

The Bureau of Business Research index of industrial stocks gained 14 points in September, averaging 224 for the month. This compared with 210 for August and 153 for September, 1926. Rails went up but 1 point, or from 189 to 190 during the month, comparing with 144 for

September of last year. Since June, rails have not continued the rise which industrials have experienced.

So many issues are breaking through to new highs almost every trading day, and the process has continued so long that it ceases to be news. Traders are now interested in the peaks to which stocks will rise rather than in the new high prices each day. Stocks have doubled and redoubled in price during the past year, and many of them are selling far out of proportion to their earning capacity. The more conservative traders are pointing this fact out and are leaving the market to the more optimistic elements. Meanwhile, stocks continue upward and no definite signs are in sight to indicate a change.

The Bureau of Business Research constructed its index of nine rails and seven industrials by using the average

weekly high of these issues for the years 1923-24-25 as equal to 100. No changes have occurred in the number of shares outstanding of the rails, but two of the industrials have split their stock since the base years. Texas Gulf Sulphur divided its shares four for one in October of 1924 and Coca Cola split its stock two for one in May of this year. The Bureau index has been revised and adjustments made for these changes. The accompanying table and chart show the revised index.

The index is as follows:

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

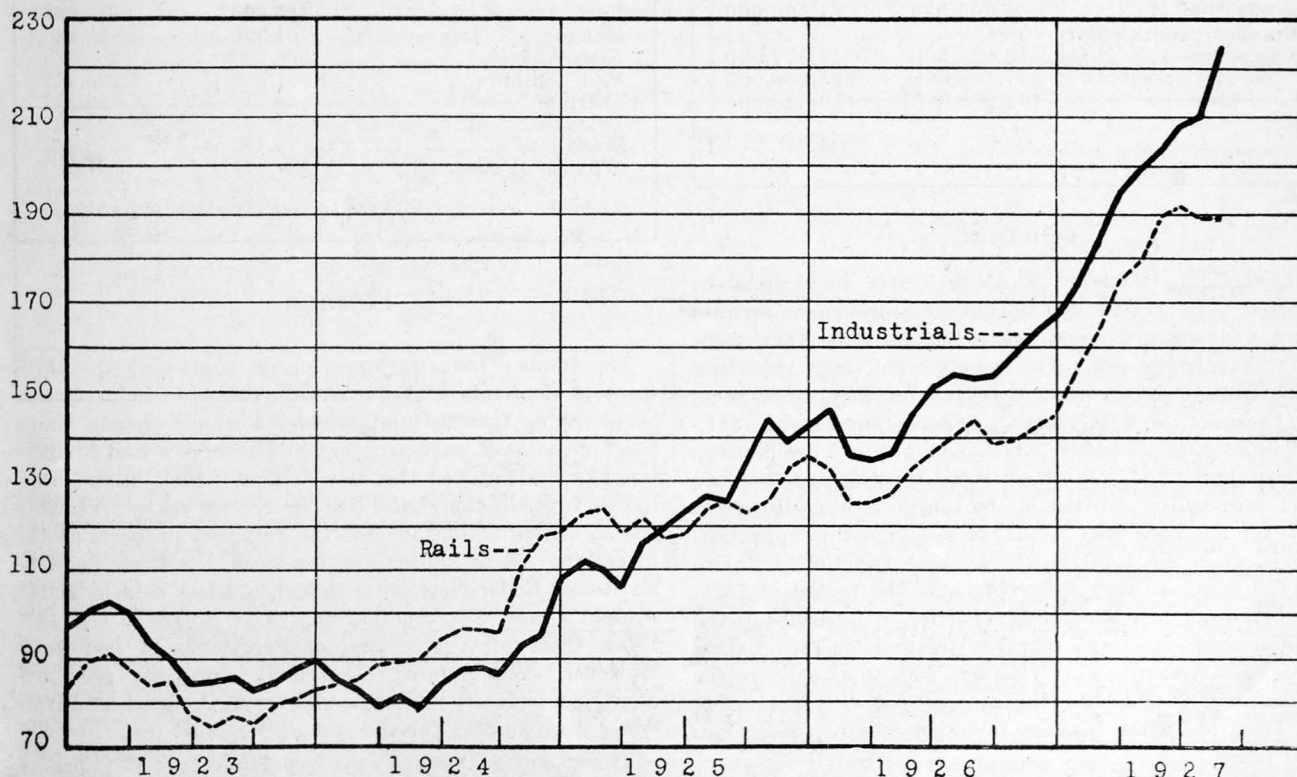
	1927	1926	1925	1924	1923
January	167	142	108	90	97
February	174	146	112	86	101
March	184	136	110	83	103
April	194	135	106	79	101
May	199	137	116	82	94
June	203	146	120	79	90
July	208	151	124	84	84
August	210	154	127	88	85
September	224	153	126	88	86
October		154	135	87	83
November		159	144	93	85
December		164	139	96	88

INDEX OF RAILROAD STOCKS

Average High 1923-24-25=100

	1927	1926	1925	1924	1923
January	145	136	118	83	83
February	157	133	123	85	90
March	164	125	123	85	91
April	175	126	118	89	88
May	179	127	122	89	84
June	190	133	117	91	85
July	192	136	119	95	78
August	189	140	125	97	75
September	190	144	126	97	77
October		138	124	97	76
November		139	126	111	80
December		143	133	117	81

BUREAU OF BUSINESS RESEARCH STOCK INDEX



FINANCIAL AND BANKING

Bank debits in the Dallas Federal Reserve District during September reflect a small increase over September of last year, indicating that the volume of business is about what it was or a little above that of 1926 at this time. Checks cashed in the four-week period ending September 28 as reported by the Federal Reserve System amount to \$735,000,000, compared to \$724,000,000 for the same period a year ago, and \$818,767,000 for the five-week period ending September 3.

The amount of Government securities owned was increased by \$4,000,000 and is now above the July holdings, while total loans and discounts of member banks fell from \$14,000,000 to \$12,000,000, or a decrease of 14%. Demand deposits went up 5%, or from \$273,000,000 to \$287,000,000. On the other hand, time deposits were smaller by \$1,000,000.

No further changes have been reported in the rediscount rate since last month when all twelve of the Federal Reserve Banks went on the 3½% basis. Interest rates continue to be low, and there is an abundance of cheap credit.

FINANCIAL STATISTICS FOR THE DALLAS FEDERAL RESERVE DISTRICT*

	September 1927	August 1927
Bank Debits (seven-teen cities).....	\$735,000,000	\$818,767,000
Government Securities Owned.....	65,000,000	61,000,000
Member Bank Borrowings.....	12,123,000	14,077,000
Demand Deposits.....	287,400,000	273,266,000
Time Deposits.....	109,600,000	110,628,000

*From the Federal Reserve System.

BUILDING

The building industry was less active in September. After a very active spring building program, permits began a downward trend until August when they were again sharply upward. The twenty-eight cities reporting to the Bureau of Business Research for September show total permits of \$10,792,458; this compares with \$11,408,740 in August and \$8,332,320 in July. The industry has been hampered by high construction costs and the fear of an over-built condition in the larger cities. However, the trade has been very reluctant to accept this apprehension so that the total building value for 1927 is quite likely to compare very favorably with the record of 1926.

Substantial increases are reported in several of the medium-sized cities and many of the smaller towns show increases. Amarillo heads the list with total permits for the month of \$2,250,000. Dallas is second with \$2,199,000, and Houston, after leading for nine months, went into third place.

The Bureau of Labor Statistics composite index based on 1926 as equal to 100 went up from 95.2 in August to 96.5 in September, or an increase of 1½%. For Septem-

ber a year ago, the index stood at 99.7. Construction costs recorded a slight decrease due to a drop in the price of lumber. The index of building material fell .8 of a point, or from 92.9 in August to 92.1 in September.

In previous issues of the *Texas Business Review*, it was pointed out that building material prices were relatively high, whereas the present index shows that they are relatively low. The reason for the reversed position is explained by the change in the base year of the Bureau of Labor Statistics index from 1913 to 1926.

BUILDING PERMITS

	September 1927	August 1927
Abilene.....	\$ 108,532	\$ 293,385
Amarillo.....	2,250,235	517,150
Austin.....	68,937	245,793
Beaumont.....	223,884	610,221
Brownsville.....	412,450	87,000
Brownwood.....	228,000	144,400
Cleburne.....	26,032	18,370
Corpus Christi.....	114,770	250,135
Corsicana.....	52,185	32,665
Dallas.....	2,198,659	770,975
Del Rio.....	22,995	72,395
El Paso.....	77,636	301,021
Fort Worth.....	1,060,934	1,161,610
Galveston.....	84,675	172,376
Houston.....	1,602,657	3,649,190
Laredo.....	40,000	35,000
Lubbock.....	142,879	98,054
McAllen.....	43,730	70,120
Marshall.....	32,000	12,580
Paris.....	51,000	10,440
Port Arthur.....	171,205	312,636
Ranger.....	51,500	7,120
San Angelo.....	326,000	267,545
San Antonio.....	1,051,632	1,236,548
Sherman.....	43,110	89,117
Tyler.....	44,732	25,927
Waco.....	74,490	579,327
Wichita Falls.....	187,603	337,580
	\$10,792,458	\$11,408,740

LUMBER

The lumber industry experienced a slowing-up movement in September. For several years, the industry has been moving forward and some expansion has been made, but for the most part progress has been slow and lumbering has not enjoyed the development which many other lines of production have had in recent years. Possibly one of the chief reasons for the retarded progress is the increasing use of substitutes for wood, but there must be additional underlying causes which are less evident at the present time. Construction contracts in Texas fell 12% below those of August and of September of last year. However, contemplated construction projects are 30% above projects in September of 1926, indicating a fair demand for lumber for the rest of the year.

Thirty-one mills in Texas reporting to the Southern Pine Association for September produced 62,890,000 feet of lumber and shipped 66,824,000 feet as compared to a production of 71,676,000 feet and shipments of 70,763,000 feet

in August for thirty-two mills. One less mill reporting and the shorter period in September account for most of the reduction; the average figures for the month present a much better showing. Stocks on hand per mill at the end of the month were reduced to 6,476,000 feet, or a decline of 2.4%.

THE LUMBER SITUATION*			
(In Thousands of Feet)			
	Sept. 1927	Aug. 1927	Sept. 1926
Preliminary report of 103 mills in the Southwest—			
Average production.....	3,094	2,977	-----
Average shipments.....	3,104	2,994	-----
Average unfilled orders.....	2,195	2,164	-----
31 Texas Mills—			
Average production.....	2,026	2,239	1,882
Average shipments.....	2,156	2,221	1,919
Average stocks end of month.....	6,476	6,633	4,709

*From the Southern Pine Association.

CEMENT

Although production of Portland Cement in September fell 9,000 barrels below the August figure, the final outturn is the highest for any September on record. During the month, 487,000 barrels were produced against 496,000 barrels in August and 437,000 barrels in September of 1926. Cement mills over the entire country were very active through the month, in sympathy with the immense amount of building and construction work which is being done before winter begins.

Shipments were again very heavy, but considerably below those of August. A total of 466,000 barrels were shipped in September, as compared to 561,000 barrels loaded in August and 438,000 barrels in September of 1926. Stocks on hand at the end of the month were increased from 251,000 to 272,000 barrels. A year ago in September, stocks amounted to 417,000 barrels. The combination of smaller shipments and increased stocks is possibly the first indication of a slowing up movement in the industry within the next few months.

THE CEMENT SITUATION*					
(In Thousands of Barrels)					
	Sept. 1927	Aug. 1927	Sept. 1926	Third Quarter 1927	1926
Production.....	487	496	437	1,441	1,336
Shipments.....	466	561	438	1,499	1,396
Stocks.....	272	251	417	-----	-----

*From U. S. Department of Commerce.

PETROLEUM

Daily production of crude petroleum for September in Texas and North Louisiana fields increased over the August daily average flow. However, there was one less day in the month, which accounts for the small decrease in total output. Despite the extremely low prices being paid for crude and the attempt at curtailment, very little

progress has been made in checking the output from the larger fields.

A total of 20,700,000 barrels of crude petroleum were gathered during September in Texas and Louisiana, a decrease of but 380,000 barrels from the August flow. If an extra day's output were added to the September figure, the production would have been above the August output. September production last year amounted to 17,960,000.

Curtailement in field activity which was noticeable in August proved to be only temporary, and September witnessed an increase in the number of new wells and also in the number of producers. During the month, 554 wells were completed, of which 325 were producers, compared to 474 completions in August, 247 of which were successful.

No further cuts in the price of crude were made during September, the flat rate of 60 cents a barrel in several fields of West Texas remaining the same as in August. In other parts of the State, prices are based on a specific gravity basis. Gasoline prices were unchanged, but the market was firmer in sympathy with a reduction of stocks in storage.

Estimated stocks of crude in storage in the three states of Texas, Arkansas, and Louisiana were unchanged at about 100,000,000 barrels. New storage space was made available to care for the increased output so that the storage problem is taken care of temporarily at least.

THE PETROLEUM SITUATION*				
(Production in Thousands of Barrels)				
	Sept. 1927	Aug. 1927	Sept. 1926	Third Quarter 1927
Production—				
Total.....	20,700	21,080	17,960	62,764
Daily average.....	690	672	599	-----
Wells completed.....	554	474	-----	1,638
Producers.....	325	247	-----	902

*From the Oil Weekly.

COTTON CONSUMED

Activity in the textile mills of the State in September was maintained at a level somewhat below that of August. Most mills did not curtail during the summer months as is customary in the textile industry, and for this reason the fall schedule may not show the amount of increase that is to be expected in an ordinary year. Full time schedules were in operation during the month and some mills continued to operate night shifts so that orders could be filled promptly. One additional mill reported for September making in all eighteen for which monthly reports are available. These eighteen companies have 179,000 spindles in place and comprise about 80% of the industry in Texas.

During the month, eighteen mills manufactured 9,059 bales of cotton into 7,812,000 yards of cloth, compared to 9,561 bales made into 8,237,000 yards of cloth in August. Cotton goods sales decreased nearly 50% in the 30-day period but unfilled orders increased 21%. At the present rate of production, the unfilled orders on the books at the beginning of October were equal to about two and one-half months run or enough for the rest of this year at least.

TEXAS COTTON MANUFACTURERS' REPORTS

	September 1927	August 1927	Third Quarter 1927
Eighteen mills reporting—			
Bales of cotton used.....	9,059	9,561	27,503
Yards of cotton goods produced.....	7,811,768	8,236,995	23,102,000
Yards of cotton goods sold.....	4,635,431	8,000,197	17,296,000
Unfilled orders of cloth, in yards.....	17,076,015	14,180,810	.....
Active spindles.....	179,000	.....	.....
Spindle hours.....	79,903,000	.....	.....

SPINNERS' MARGIN

Spinners' margin was again sharply downward in September and fell to the lowest point since May, 1926. The index has trended downward for a year and is now 4 points below normal. From 164 in August, the index dropped 8 points to 156 in September which compared with 166 in September of 1926. The decline is due to much higher quotations for cotton and only a slight rise in the price of yarn.

In September, American middling cotton in Liverpool averaged 11.75d against 10.78d in August, and 32-twist cotton yarn in Manchester averaged 18.34d compared to 17.70d in August. Since the first of the year, cotton prices have advanced much more rapidly than have yarn prices, thereby reducing the spinners' margin. At 156, the ratio is 4 points below normal, which indicates that cotton prices may fall or yarn prices may advance until the ratio is again back to normal.

Spinners Margin refers to the ratio between the price of American 32-twist cotton yarn in Manchester and the Liverpool price

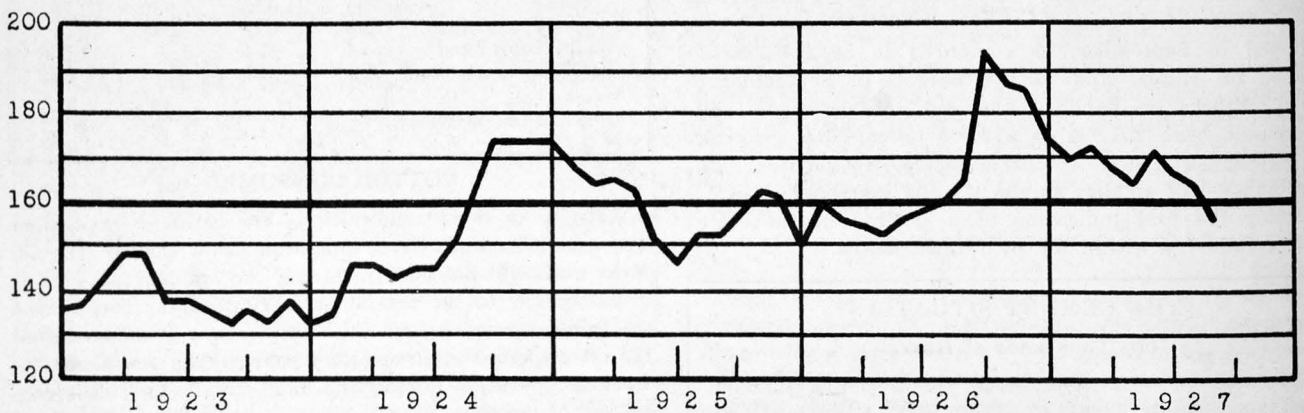
of middling American cotton. Normally, the price of 32-twist should be 60% above the spot price of American middling cotton. If prices change so that the ratio increases, the spinners' margin of profit is increased and thereby the demand for cotton is strengthened. On the other hand, when the ratio decreases,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

SPINNERS' MARGIN

	1927	1926	1925
January.....	174	150	174
February.....	170	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.....	.....	194	157
November.....	.....	187	163
December.....	.....	186	162

Normal=160.

SPINNERS' MARGIN



COTTON

The condition of the cotton crop in Texas is placed at 55% of normal, which promises a production of 4,430,000 bales. To date, 2,301,000 bales have been ginned, which is equivalent to about 53% of the indicated production. Bolls are opening rapidly, and the entire crop is likely to be harvested much earlier this year than last. The top crop is reported as being almost a failure this season in most parts of the State, but the unripe bolls are maturing in response to favorable weather. Root rot is quite prevalent this season, and weevil damage is general and much more serious than was the case last year.

Good progress has been made in harvesting since the recent rains. Ample labor is available, and growers are having little difficulty in getting their cotton ginned promptly. The crop is moving to market about as usual; some producers are selling at current prices while others are holding for higher bids. Port stocks are above those of a year ago, and exports are falling somewhat below last year's shipments.

Prices were upward during the first part of the month. On September 9, December futures in New York sold above 25 cents a pound, when the Government report indicated but 12,692,000 bales for this year's crop. During the remainder of the month, prices trended downward and most

of the gain was lost. December New York futures closed the month at 21.58 cents, compared to 22.51 cents on August 31 and 14.84 cents at the end of September a year ago. The market is very sensitive to either bullish or bearish news.

During the month, 627,000 bales were used in the United States, a new high record for September. This compared with 633,000 bales in August and 571,000 bales in September of 1926. The cotton goods market is slightly less firm than it was last month so that raw cotton prices are apt to be influenced somewhat by the condition of finished goods.

The very drastic decline in the supply of cotton in America now as compared with that of last year has put

the price of cotton above the 20-cent level, but there are still differences of opinion as to whether the present price has fully discounted the decrease in supply. During the last seven years, the sum of the changes in supply from year to year has been 10,900,000 bales; the sum of the corresponding changes in price was 3,502 points, or a total of 32.1 points for each change of 100,000 bales in supply. There has been a decline of nearly 3,300,000 bales in supply since October 1, 1926, and on the basis of these figures the price on October 1 should have been 10.59 cents above the price on that date last year, or about 23 cents. If the same calculation is made on the basis of prices deflated by the index number of the Bureau of Labor Statistics, the price indicated is 22.50 cents.

COTTON BALANCE SHEET AS OF OCTOBER 1 IN THE UNITED STATES

(In Thousands of Bales)

Year	Carry-over	Imports	Oct. 1 Estimate	Total	Consumption	Exports	Total	Balance
1920	4,573	44	12,123	16,740	941	372	1,313	15,427
1921	7,231	13	6,537	13,781	952	919	871	11,910
1921	3,085	20	10,135	13,240	1,020	633	1,653	11,587
1923	2,266	11	11,015	13,313	978	927	1,905	11,407
1924	1,770	14	12,596	14,380	795	1,006	1,801	12,579
1925	1,807	24	14,759	16,590	931	1,064	1,995	14,595
1926	2,637	25	16,627	19,289	1,072	1,172	2,244	17,045
1927	3,295	56	12,678	16,029	1,261	971	2,232	13,797

AGRICULTURE

The setback to agriculture which was noted last month proved to be temporary and the outlook is much more promising than it was six weeks ago. While there are some things to be desired for conditions to be the most favorable, yet splendid progress was made during the month and the situation is healthy. Beneficial rains fell generally over the State bringing relief to the dryer sections and furnishing ample moisture to germinate the fall grains. Pastures and ranges were also materially improved.

Texas is possibly in the most favorable position of any State in the Union at the present time. The cotton crop is comparatively large and prices are high; most of the wheat and corn was sold before the recent drop in price of these grains; many carloads of fruits and vegetables have gone to Eastern markets at good prices. Livestock prices, aside from hogs, are the highest in several years, and feed is ample to carry the animals through the winter. Wool and mohair prices are from 3 to 5 cents a pound above those of last year. Citrus fruits and the winter vegetable crops of the Valley present an encouraging outlook. Farmers made good progress in the sowing of fall grains and the weather was generally favorable for farm work. No serious labor shortage has been reported.

The October 1 crop report of the United States Department of Agriculture shows some improvement in crops generally, although several crops, notably wheat and pecans, are not as good as those of last year. Corn, feed crops, and cotton make up the brighter parts of the report.

TEXAS CROP REPORT, OCTOBER 1, 1927*

	Condition		Production (in thousands of bushels)	
	Oct. 1 1927	Sept. 1 1927	Har-vested 1926	Indi-cated 1927
Corn	80%	81%	106,863	113,931
Oats	22.0 ¹	22.0 ¹	83,666	45,804
Barley	16.0 ¹	16.0 ¹	7,700	4,928
Rice	88%			6,092
Potatoes	62%	62%	2,100	2,429
Sweet Potatoes	72%	70%	8,556	11,300
Apples	33%	33%	380	168
Peaches		25%	2,310	800
Grapes	63%	67%	1,200	1,260

1. Bushels per acre.

*From the U. S. Department of Agriculture.

CARLOT SHIPMENTS OF FRUITS AND VEGETABLES

Movement of fruits and vegetables to market in Texas during September was very light. Coming after the heavy shipments in earlier months of the year, the August and September record makes a rather poor showing. However, this is the slack period for truck crops in the State so that the small volume is accounted for by seasonal influences. The next few months should witness increased shipments. During September, loadings were but 194 cars, compared to 783 cars in August and 2,550 cars in July. The high month of the year to date was June, when 5,643 cars were loaded.

Sweet potatoes made up the bulk of shipments; a total of 133 cars was loaded, as compared to forty-four in August. The watermelon, cantaloupe, and pear season is about over. Only four cars of onions and six loads of pears were shipped.

Prices generally were steady to upward. Potato prices advanced after the October 1 Government report showed a further slight reduction in its forecast. Sweet potato prices were downward due to the sharp increase in the size of the crop. Apple prices were revised upward.

TEXAS FRUIT AND VEGETABLE SHIPMENTS*

(In Carloads)

	Sept. 1927	Aug. 1927	Third Quarter 1927
Cabbage	—	—	1
Sweet Potatoes	133	44	182
Onions	4	8	45
Tomatoes	—	2	87
Potatoes	9	6	26
Watermelons	32	466	2,695
Peaches	—	—	46
Peppers	—	2	5
Grapes	—	—	14
Pears	8	137	182
Apples	6	2	8
Mixed Vegetables	—	1	6
Cantaloupes	2	115	230
Total	194	783	3,527

*From the U. S. Department of Agriculture.

LIVESTOCK

The livestock industry continues favorable. During the month, rains fell generally over the State, bringing to an end the drouth which had become rather serious in some sections. Ample moisture is now in the soil to insure a good growth of grass and weeds for fall and winter feed. Moreover, fall sown grains are coming through the ground to a good stand, indicating an additional source of winter pasturage for animals. A few more weeks of warm weather should make the winter outlook very promising.

The October report of the United States Department of Agriculture shows that cattle ranges improved 1 point, to 83% of normal, against 90% on October 1 last year. The condition of cattle remained at 87% of normal, the same as last month, but 5 points below that of October a year ago. Shipments are made up largely of calves and cull cows, although the run of young steers and calves to feed lots out of the State is very heavy. Now that feed is more abundant, there is likely to be a greater tendency to hold cattle on the range, and considerably more feeding is anticipated because of the higher beef prices.

Sheep and goats held up remarkably well despite the dry weather. Sheep ranges improved during the month and were placed at 84%, a gain of 3 points over September and equal to the condition on October 1, 1926. The condition of sheep is placed at 87% of normal, 1 point under that reported a month ago, while goats improved 5 points to 92% or the same as that in October of 1926.

Sheep and goats should respond quickly to the better ranges so that next month's report will probably show further improvement. Demand for young female stock for breeding purposes is very strong and prices are upward.

Fall shearing is about completed. The mohair clip is heavy this year, and prices are somewhat above last year's quotations. Some sheep will not be sheared this fall because of the lower prices of short staple, however. Wool is selling at 3 to 5 cents a pound higher than last year's contract prices, and several of the larger pools are rejecting all bids even at these advanced quotations. Preliminary reports indicate that the feeding of sheep and lambs will be increased this winter due to the abundance of cheap feed and the prospective higher prices for muttons.

Poultry and dairy products were in better demand due partly to seasonal influences and partly to curtailed supplies. Butter prices were somewhat lower than they were in September because of the large cold storage holdings. Egg prices were upward, while milk and cream prices held at about the same level as quotations in September. The turkey crop is expected to be considerably larger than the crop last year. Producers are being advised to sell the hens first and hold the toms over for the Christmas trade in anticipation of better prices for the larger birds.

The number of livestock shipped in September increased sharply over the August loadings, sheep and hogs accounting for all of the increase. Total receipts at the Fort Worth yards, exclusive of horses and mules, were 197,039 head, compared to 164,368 head in August and 164,613 head in September of last year. Shipments of cattle, calves, and hogs for the third quarter were above those of the same quarter of 1926; on the other hand, sheep receipts fell short by about 10,000 head.

The market ruled firm during the month with prices mostly upward. Hog prices made further gains, and cattle prices were the highest in several years. Receipts of both cattle and calves were below those of August so that prices are likely to remain high for some time to come. The corn and hog ratio is again slightly above normal due to the decline in corn prices and higher hog quotations, thereby increasing the fattening margin to the feeder. Handy-weight hogs at Fort Worth were selling at 11.65 cents for the week ending October 15 against 11.50 cents last month. Prime beef steers brought 10.50 cents to 10.75 cents, nearly half a cent up for the month. Calves sold for 11.50 cents, the same as last month. Best lambs were bringing 12.50 cents, and muttons brought 8 cents, quotations equal to those of September.

LIVESTOCK RECEIPTS AT FORT WORTH*

	Sept. 1927	Aug. 1927	Sept. 1926	Third Quarter 1927	1926
Cattle	78,807	80,545	74,574	231,090	215,620
Calves	40,669	42,598	27,286	102,320	61,770
Hogs	24,045	18,349	14,061	60,470	38,000
Sheep	53,518	22,876	48,692	101,230	111,800
Total	197,039	164,368	164,613	493,110	427,190

*From the Fort Worth Stock Yards Company.

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