

TEXAS BUSINESS REVIEW

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

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The University of Texas

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GENERAL

General business throughout Texas and the Southwest made fairly good progress. The lagging tendency which has been in evidence over the past two months gained very little headway during the month, but neither were there any special developments which might over-stimulate industry. Statistical comparisons with the year 1926, a banner year, often show a declining tendency, whereas by a comparison at the same levels with 1925, a more normal year, an advancing tendency is shown. Against October, 1926, the past month makes only a fair showing, but compared to October, 1925, the record is satisfactory.

The outlook for agriculture is favorable. Fall weather has been good for gathering the crops and a large harvest relatively has been enjoyed by most producers. Farm prices are much higher than those of last year so that the total agricultural income is likely to be about that of 1926. Farmers made good progress with their fall work, and there has been no shortage of labor. Acreage of fruits and vegetables in the Valley is considerably above plantings of last year and the earlier varieties are moving to market in carlot shipments. Prices were steady to downward.

Fall ranges improved from 3 per cent to 5 per cent over the month with winter grasses and weeds making good growth. Livestock generally is in excellent flesh to begin the winter. Aside from a drop in hog prices, quotations advanced for all classes of animals; cattle are selling for the highest price since 1920. Poultry and dairy products are comparatively high. The turkey crop promises to be very large this year. Most of the wool and mohair clip has been sold at prices from 3 cents to 5 cents a pound above last year's sales.

The petroleum industry presents a little brighter aspect. Field activity was sharply curtailed, and the daily average flow fell off. Output of cement established a new high record, and shipments exceeded production. Stocks on hand are very small for this time of the year.

While nothing unusual came to light during October which will stimulate business to any great extent, neither were there any unfavorable developments that may disturb the outlook over the next few months. A rather even balance has been noticeable in the business situation over the past few months, and the month of October reflected very little change. As long as interest rates remain low and wholesale prices of commodities advance, there is little likelihood of any drastic setback to business.

Although activity in the cotton textile industry of the State was below that of September, a good showing was made for the month. Most mills were operating at capacity but a sharp drop is recorded in unfilled orders. Spinners' margin remained at 156, or 4 points below normal. Cotton prices were downward for the month.

Trade at wholesale and retail declined. Retail sales in the Dallas Federal Reserve District fell 3.2 per cent below those of October, 1926. The decrease is about equivalent to the decline in the entire country for the month. The Philadelphia district shows the largest decline, 8 per cent, while the Atlanta district shows a drop of but .2 per cent. Fall sales are rather slow.

The lumber business reflects improvement. Both production and shipments were well above those of September and stocks were slightly reduced. Building declined again for the third consecutive month. The decrease, however, is not sufficient to cause alarm. The total permits for the year are much more encouraging. Production of cotton textile mills fell off seasonally, in line with a decrease for the entire country. Despite the fact that cotton shipped to foreign countries is running behind that of a year ago, export and import trade was in large

volume.

Wholesale prices averaged higher according to Dun's service and Bradstreet's monthly report and Fisher's weekly price index advanced steadily. The farm price index fell off slightly.

No change in the rediscount rate of 3½ per cent was made, and interest rates continue low. Ample funds are available for all needs, and the amount of bank credit outstanding is slightly above that of September. Both demand and time deposits were higher. Commercial failures were higher than those of September and the number of new corporations chartered was the same.

FINANCIAL AND BANKING

Bank debits in the Dallas Federal Reserve District during October reflect an increase of 6 per cent over those of October, 1926, and are 10 per cent greater

than those of September. While most of the increase is due to seasonal influences, yet this situation denotes a healthy condition and indicates that business is moving forward in a satisfactory manner. Total checks cashed for the five-week period ending November 2, as reported by the Federal Reserve System, amounted to \$1,014,000,000, against \$953,000,000 for the same period last year and compares with \$735,000,000 for the four-week period ending September 28.

Government securities owned by the member banks reporting at the end of the month remained practically unchanged, and total loans and discounts were increased by \$12,000,000. Net demand deposits went up 3.5 per cent or from \$287,000,000 to \$297,000,000, and time deposits reflect an increase of \$2,500,000. There were 45 banks located in 17 principal cities reporting for the month.

Interest rates are low, and the rediscount rate of 3½ per cent remains unchanged. Ample bank credit is available for all expansion purposes, and many banks are placing large sums of money "on call" in the larger cities.

FINANCIAL STATISTICS FOR THE DALLAS FEDERAL RESERVE DISTRICT*

	October 1927 (5 weeks)	September 1927 (4 weeks)
Bank debits (17 cities) \$	1,104,000,000	\$735,000,000
Government securities owned	65,000,000	65,000,000
Member bank borrowings	10,665,000	12,123,000
Demand deposits	297,000,000	287,000,000
Time deposits	112,000,000	109,600,000

*From the Federal Reserve System.

FAILURES

The number of commercial failures in October was 30 per cent greater than that in September. However, there is a seasonal increase during these two months, and the increase this year is less than normal. Although liabilities were more than doubled, they were considerably below those of October of last year. During the month, 48 companies having liabilities totaling \$734,000 went into insolvency, against 37 companies with liabilities of \$328,000 in September. Last year in October, 68 firms with liabilities of \$1,181,000 went into bankruptcy. No bank failures were reported.

COMMERCIAL FAILURES*

	October 1927	September 1927	October 1926
Number	48	37	68
Liabilities	\$734,000	\$328,000	\$1,181,000
Assets	325,000	217,000	

*From R. G. Dun & Co.

DEPARTMENT STORE SALES

Beginning with this issue of the TEXAS BUSINESS REVIEW, department store sales are reported for the larger cities in Texas. The percentages presented are based on actual sales figures given in strict confidence by leading department stores in the cities listed. These monthly figures will from month to month be summarized and presented in the form of percentage increase or decrease in sales for each city listed, as well as the percentage increase or decrease in department store sales for the State as a whole.

In a general way, this information will enable any department store merchant in any of the cities included to compare the increase or decrease in his sales with the increase or decrease in the sales of the department stores in his city. It will also enable such organizations as the Chamber of Commerce or the Retail Merchants' Association to compare the tendency of sales in their particular city with the tendency in sales for the State as a whole.

But more important, the other basic information offered in the TEXAS BUSINESS REVIEW may be used at least in part to explain whatever sales condition may exist in any particular part of the State. In fact, it is so necessary in sales analysis to have a well-rounded concept of basic conditions that the Bureau of Business Research is placing emphasis upon the presentation of all basic statistics which may have a significant relation to the current business situation.

It will be noted that because of inadequate or late returns a few of the more important cities have been omitted, but it is hoped that the returns from these cities next month will be such that they also be included in the next issue of the TEXAS BUSINESS REVIEW.

OCTOBER TENDENCIES IN TEXAS DEPARTMENT STORE SALES

	Percentage increase or decrease from October, 1926	
Austin	+4.6%	
Beaumont	+1.7%	
Brownwood	No change	
Corsicana	+8.6%	
Dallas	+12%	
Fort Worth	+12%	
Houston	+9.9%	
San Angelo	+18%	
Tyler	+7%	
Wichita Falls	-18%	
Texas (44 stores reporting)	+8%	
	October, 1927	October, 1926
Total sales of 44 department stores	\$3,223,215	\$2,972,163

STOCK PRICES

The upward movement of stock prices was checked in October. During the first nine months of the year, both industrials and rails advanced until quotations in September were the highest on record. Despite the fact that some individual issues are quoted at very low prices because of poor earnings, yet the rise has been general.

The price index of Southern industrials as determined by the Bureau of Business Research gained but a single

point during October, whereas there was a rise of 14 points in the index during September. Standing at 225 for October, the index compares with 224 in September and 154 in October of 1926. In contrast to a gain for industrials, rails suffered a loss of 4 points over the month. Last year there was a drop of 6 points during the 30-day period from September to October. Rails have been following industrials in the upward movement for the past two years. However, rails seem to have reached a peak in July, and the trend has been downward since that time. The reason for the change is poorer earnings during the second and third quarters of the year. Earnings for the fourth quarter, as indicated by the current freight car loadings, are quite likely to be below those of the last quarter of 1926.

There is little doubt but there has been considerable speculation in the stock market in the past several months. Stocks in many cases are selling far beyond their earning capacity. The more conservative speculators are pointing

out this fact and have already sounded a warning. As a result, prices during the early part of October declined sharply. Most of the loss has since been regained, but the stock market is very nervous. Some operators look for a drastic decline in the market in the near future. On the other hand, there are those who look for much higher prices before any major decline occurs.

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.

The index is as follows:

INDEX OF INDUSTRIAL STOCKS

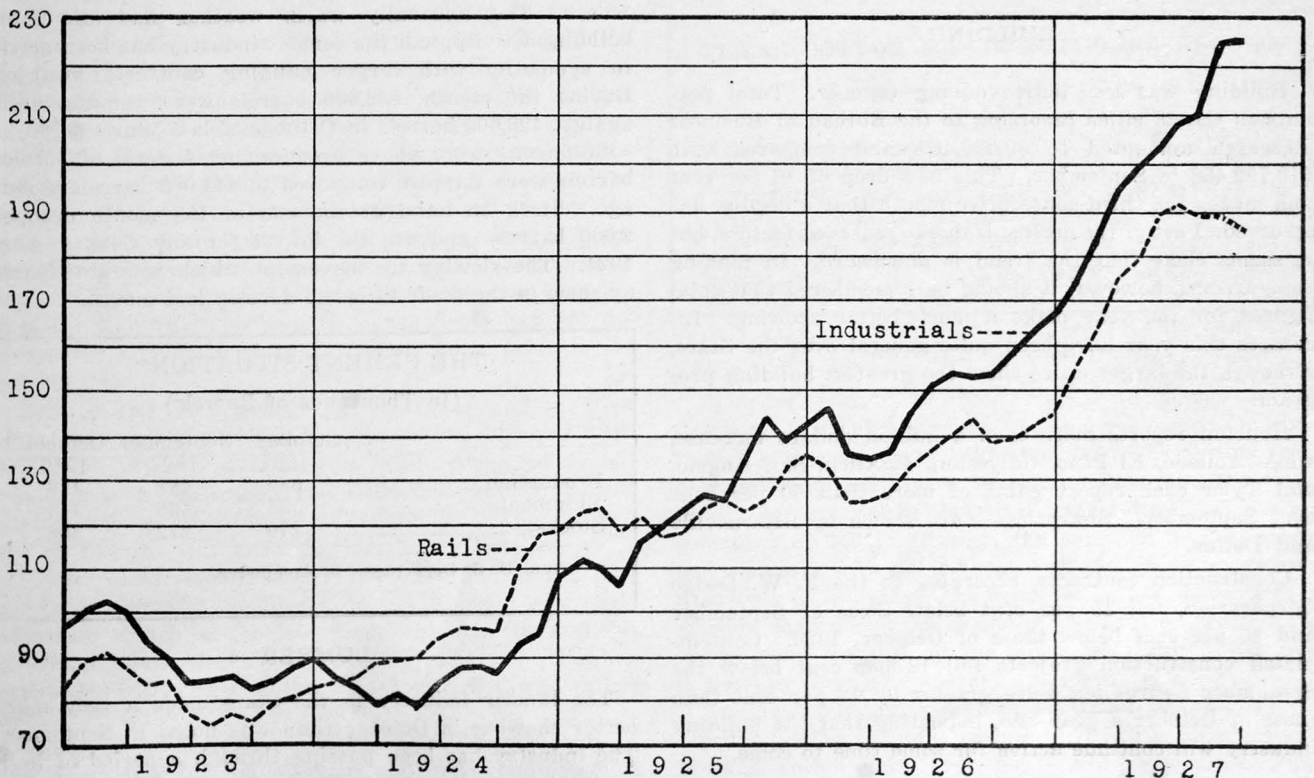
Average High 1923-24-25=100

	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	225	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	186	138	124	97	76
November		139	126	111	80
December		143	133	117	81



TEXAS CHARTERS

There were 149 new enterprises receiving charters from the Secretary of State in October. This is the same as the number granted charters during September and but one less than that of October, 1926. The new companies were capitalized at \$5,449,000, compared to \$4,626,000 in September and \$16,244,000 in October last year. Most of the new companies are small although three corporations with \$500,000 each and one of \$1,000,000 capitalization were chartered. Thirty permits were granted to outside companies or sixteen more than in September. Twenty-seven companies increased their capitalization by more than \$3,500,000.

The number of oil companies decreased from 13 to 8 during the month while public service corporations went up from 3 to 7. Real estate and building firms fell off 50 per cent or from 23 to 12, and banking institutions were about the same. Manufacturing companies doubled in number, increasing from 6 to 12.

TEXAS CHARTERS

	October 1927	September 1927	October 1926
Number	149	149	150
Capitalization	\$5,449,000	\$4,626,000	\$16,244,000
Foreign permits	30	14	29
Classification of new Corporations:			
Oil	8	13	18
Public Service	7	3	2
Real Estate	12	6	9
Banking	8	9	13
Manufacturing	12	23	8
General	102	95	100

BUILDING

Building was less active during October. Total permits in the 28 cities reporting to the Bureau of Business Research amounted to \$9,026,469, and compares with \$10,792,458 in September. This is a drop of 16 per cent and makes the third consecutive month that a decline has occurred. Part of the decline is due to seasonal factors, but it seems clear that the trend is downward. In making comparisons, however, it should be remembered that total figures for the year make a much better showing. Increases this year have been quite general over the State, although the larger cities show the greatest building program.

Houston reports more than a million dollars increase, while Abilene, El Paso, Galveston, McAllen, San Angelo, and Tyler each report gains of more than 50 per cent over September. Sharp losses are shown by Brownsville and Dallas.

Construction contracts, according to the F. W. Dodge Corporation, fell 15 per cent below those of September and 20 per cent below those of October, 1926. Contemplated construction projects fell 12 per cent below the September figures but were greater by 12 per cent than those of October a year ago, indicating that the building industry will continue active for some time to come.

BUILDING PERMITS

	October, 1927	September, 1927
Abilene	290,660	108,532
Amarillo	570,466	2,250,235
Austin	68,058	68,937
Beaumont	265,803	223,884
Brownsville	58,390	412,450
Brownwood	131,450	228,000
Corpus Christi	187,330	114,770
Corsicana	33,100	52,185
Cleburne	5,045	26,032
Dallas	451,704	2,198,659
Del Rio	14,295	22,995
El Paso	206,190	77,636
Fort Worth	1,114,003	1,060,934
Galveston	155,725	84,675
Houston	2,680,019	1,602,657
Laredo	25,000	40,000
Lubbock	183,368	142,879
McAllen	74,140	43,730
Marshall	30,000	32,000
Paris	18,365	51,000
Port Arthur	274,161	171,205
Ranger	22,500	51,500
San Angelo	744,801	326,000
San Antonio	948,488	1,051,632
Sherman	67,410	43,110
Tyler	143,738	44,732
Waco	62,010	74,490
Wichita Falls	200,250	187,603
Total	\$ 9,026,469	\$10,792,458

CEMENT

Production of Portland Cement in October was the highest on record. Although most of the increase is due to the output from one additional mill, yet a full-time schedule was maintained by the old mills for the entire month. The unusually warm weather has stimulated building activity, and the cement industry has been active in sympathy with larger building contracts awarded. During the month, 532,000 barrels were manufactured, against 428,000 barrels in October of last year.

Shipments were above production. A total of 535,000 barrels were shipped compared to 444,000 barrels a year ago. Stock on hand at the end of the month dropped 2,000 barrels and are the lowest for any October since 1924. The slowing up movement which was anticipated by some in the trade failed to develop last month.

THE CEMENT SITUATION*

(In Thousands of Barrels)

	October 1927	September 1927	October 1926
Production	532	487	428
Shipments	535	466	444
Stocks	270	272	406

*From U. S. Department of Commerce.

LUMBER

The lumber industry in the State made a very much better showing in October than was noted in September. The industry has been passing through a period of hesi-

tancy for several years. It looks now as if bedrock has been reached and present indications seem to point to a more promising future. The large building program and the new uses for wood should stimulate more activity over the next few years.

During the month, the 31 mills reporting to the Southern Pine Association produced 67,803,000 feet of lumber, or an increase of 7 per cent over the September cut and compares with 97,160,000 feet in October last year. Shipments increased 8 per cent or from 66,824,000 feet to 72,479,000 in the 30-day period. Stocks on hand at the end of the month per mill show but a very small decline. The same number of mills reported for both months. Normal average production of the 31 Texas mills is 2,813,000 feet, while normal average stocks are 6,120,000 feet.

THE LUMBER SITUATION*		
(In Thousands of Feet)		
Preliminary report of 107 mills in the Southwest—	October	September
	1927	1927
Average production	3,061	3,094
Average shipments	2,925	3,104
Average unfilled orders	1,939	2,195
31 Texas mills—		
Average production	2,187	2,026
Average shipments	2,338	2,156
Average stocks	6,424	6,476
Average unfilled orders	1,029	-----

*From the Southern Pine Association.

PETROLEUM

With a daily average production of 688,000 barrels of crude oil per day, the output of petroleum in October increased materially over that of September. During the month, a total of 21,316,000 barrels was gathered, against 20,700,000 barrels in September and 20,290,000 barrels in October, 1926. Although daily average recovery was below the September figure, the one extra day in the month more than offset the loss. The daily average flow in the United States trended downward all during the month. As a result, new life has been injected into the industry and producers are looking forward with considerable more optimism than has been the case for the past six months. The flow in Texas fields has not decreased in proportion to that of other large fields in the country.

Drilling fell off sharply both in Texas and in other states. During the month there were but 448 new wells drilled in Texas and Louisiana fields, compared to 554 completions in September. Of these, 217 were producers against 325 successful wells in September. The percentage of failures was much higher during October.

Crude prices remain at the low quotation of the past month and present conditions do not warrant any early advances. Much of the low grade crude in Texas fields is bringing but 60 cents to 75 cents a barrel. Gasoline prices recorded few changes but the market was rather weak.

Stocks of crude in the three states of Texas, Arkansas, and Louisiana fell off slightly and were estimated at

about 97,000,000 barrels at the end of the month. New pipe lines and additional storage space have relieved the storage problem to a considerable extent.

THE PETROLEUM SITUATION*			
(Production in Thousands of Barrels)			
	October	September	October
	1927	1927	1926
Production—			
Total	21,316	20,700	20,290
Daily	688	690	655
Wells completed	448	554	-----
Producers	217	325	-----

*From the Oil Weekly.

COTTON CONSUMED

Textile mills in the State were less active during October. While the decrease may be due to seasonal influences, it must be remembered that the industry has been operating on a very active schedule during the past year and a slowing-up movement is to be expected. The 18 mills reporting to the Bureau of Business Research have 179,000 spindles in place, practically all of which were active.

A total of 8,379 bales of cotton were manufactured into 7,379,827 yards of cloth against 9,059 bales made into 7,812,000 yards of cloth in September. This is a decrease of 8 per cent. Cotton goods sales fell about 25 per cent, and unfilled orders dropped from 17,076,015 yards to 12,038,503 yards. The unfilled orders at the end of the month are equal to less than two months' run at the present rate of production. The rather severe decline in unfilled orders may prove to be one of the first indications of a slowing-up movement in the industry.

TEXAS COTTON MANUFACTURERS REPORT		
Eighteen Mills Reporting		
	October, 1927	September, 1927
Bales of cotton used ..	8,379	9,059
Yards of cotton cloth—		
Produced	7,379,827	7,811,768
Sold	3,009,102	4,635,431
On unfilled orders ..	12,038,503	17,076,015
Active spindles	177,020	179,000
Spindle hours	72,672,124	79,903,000

SPINNERS' MARGIN

Spinners' margin recorded very little change during October. The index has been trending downward for more than a year and is now below normal. The decline from now on is quite likely to be much slower, and the trend should be reversed in the not-distant future. The index remained at 156 in October, the same as in September, and compares with 196 in October, 1926. However, for the first week of November the index fell to 148, due to a drop of more than a cent per pound in yarn price. This is the lowest point reached by the index since July, 1925, and is possibly only a temporary condition.

American middling cotton in Liverpool averaged 11.37d a pound during October against 11.75d in September, and 32-twist cotton yarn averaged 17.81d in October com-

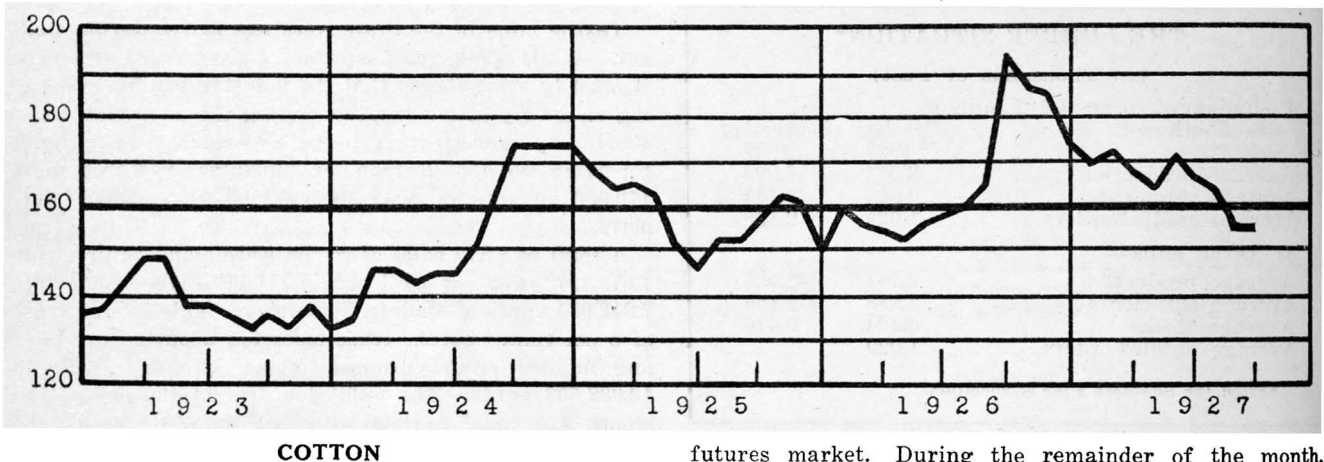
pared to 18.34d in September. Yarn prices over the past year have advanced much less than have cotton prices resulting in a downward trend of spinners' margin. Normally the index for spinners' margin should be near 160. When prices of cotton and yarn are out of line, an adjustment of either one or both is to be expected so that a more normal balance may be obtained.

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	156	194	157
November .....	.....	187	163
December .....	.....	186	162

Normal=160.



COTTON

The November 1 report of the United States Department of Agriculture indicates that Texas will produce 4,300,000 bales of cotton against a harvest of 5,628,000 bales in 1926. The November 1 report shows a decrease of 130,000 bales in the State whereas there was an increase of 164,000 bales for the United States. There were 3,396,000 bales ginned to November 1, which is equivalent to 81 per cent of the indicated production.

Had it not been for the lateness of the crop in the western part of the State, ginnings would probably have been much greater. Much of the cotton in the western sections was not planted until late in June so that harvesting was expected to be late. In those sections where frost was reported, the damage was practically negligible. Weevil and root rot are responsible for considerable of the reduction in this year's production.

Harvesting made excellent headway during the month, and fields are being picked very clean this year. Considerable cotton has already been picked by hand in the Plains districts and farmers are now waiting for a killing frost so that they can begin sledding. Pickers are readily available at wages somewhat below last year's rates. The tendency for producers to hold for higher prices received a setback when the November 1 estimate was published. Many farmers lost from 2 cents to 3 cents a pound by not selling the cotton when it was ginned.

Prices held steady until the day of the report when a loss of more than a cent a pound was suffered in the

futures market. During the remainder of the month, prices fluctuated within narrow limits and closed the month at a net loss of nearly \$7 a bale. December New York futures closed on October 31 at 20.21 cents, against 21.58 cents on September 30.

During the month, 613,000 bales were used in the United States compared to 568,000 bales in October, 1926. Exports are running behind those of last year and the cotton goods market is displaying a much weaker tendency than was the case two months ago.

The supply of cotton in the United States on November 1, 12,254,000 bales, was almost exactly equal to the average supply on that date for the six previous years. The average spot price worked out on the basis of the Bureau of Labor index of wholesale prices as of November 10 for the six years is 20.18 cents.

The range in the amount of supply on November 1 varies widely. It was greatest in 1926, with 16,433,000 bales. It was least in 1923 with only 9,336,000 bales. The range in the price between these two years was even greater, for in 1923 the price was 33 cents, and in 1926 it was 12.43 cents.

The total change in supply during the last six years was 12,218,000 bales. The total change in price corresponding to the changes in supply was 2,567 points. There was thus a change of approximately 21 points to every change of 100,000 bales in the supply. The change of supply from November 1, 1926, to November 1, 1927, shows a decline of 4,278,000 bales. If the ratio of 21 points in price to each change of 100,000 bales of supply

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should hold good, the present supply is worth almost 25 cents a pound. These figures are not meant to be forecasts they do not take into account other factors of supply and demand which have material influence on the price, some of which have so far eluded statistical measurement.

While the supply figures are bullish, as already shown, it takes two to make a bargain and the indicators of the strength of demand are pessimistic. The cotton and cotton yarn index as given elsewhere shows that so far as

England is concerned the price of yarn must either come up or that of cotton go down.

The November 10 report of the Association of Cotton Textile Merchants of New York shows a marked decline in sales, a decrease in unfilled orders, and a tendency for stocks to increase. There are, however, sufficient orders to show rather large consumption for the next few months. Consumption in the United States for October was 613,000 bales. This makes a total of 1,874,000 bales for the first three months of the cotton year, the greatest on record.

COTTON BALANCE SHEET AS OF OCTOBER 1 IN THE UNITED STATES

(In Thousands of Bales)

Year	Carry-over Aug. 1	Imports Since July 31	Nov. 1 Estimate	Total	Consumption Since July 31	Exports Since July 31	Total	Balance
1920	4,573	56	12,123*	16,752	1,341	954	2,295	14,457
1921	7,231	43	6,537*	13,811	1,446	1,795	3,241	10,570
1922	3,085	47	10,135*	13,267	1,554	1,431	2,985	10,282
1923	2,286	18	10,248	12,552	1,521	1,695	3,216	9,336
1924	1,770	32	12,816	14,618	1,329	1,949	3,278	11,340
1925	1,807	36	15,298	17,141	1,475	2,478	3,953	13,188
1926	2,637	53	17,918	20,608	1,641	2,534	4,175	16,433
1927	3,295	75	12,842	16,212	1,874	2,084	3,958	12,254

*October 14 estimate.
The cotton year begins on August 1.

LIVESTOCK

October was possibly the most favorable month the livestock industry has enjoyed in several years. After rains fell generally over the State in September, the weather was almost ideal for this time of the year. While a few districts report conditions as being a little too dry, ranges for the most part improved and ample water for stock purposes is available. Grass and weeds made good growth so that fall and winter feed is abundant. Fall grains came through the ground to a good stand and many growers are now using their wheat fields for grazing purposes. Moreover, in sections where all the cotton has been harvested, stock has been turned into the fields. The harvest of such winter feed crops as milo maize, the grain sorghums, and various grasses, was very large this year so that stockmen should experience little difficulty in obtaining feed for the winter.

The United States Department of Agriculture in its November 1 report shows that cattle ranges improved 2 points during the month and are placed at 85 per cent of normal against 93 per cent of normal in October of last year. The condition of cattle is placed at 89 per cent of normal, up 2 points for the month, and compares with 93 per cent for the same month a year ago. Shipments from West Texas to feed lots in the corn belt were very heavy during the month. Runs of calves and culls are also above those of a year ago. There is a growing tendency to hold steers on the grass as long as possible because of better ranges and advancing prices.

Sheep and goats made satisfactory improvement during the month, although some districts are rather dry for the growth of weeds and winter grass. Sheep ranges improved 5 points during the month and are placed at 89 per cent of normal and goats are rated at 91 per cent.

Both sheep and goats are in excellent flesh and growers are looking forward to the winter with a promise of small losses. Demand for young breeding stock is strong at good prices.

Fall shearing is about completed. The wool is slightly better than expected but the mohair is rather light. During the past few weeks, considerable wool has been sold at prices ranging from 32 cents to 35 cents for short staple. Most of the mohair clip has been sold at prices ranging from 52 cents to 55 cents for grown hair and 62 cents to 65 cents for kid. Shipments of the two staples have been very heavy. Preliminary reports regarding feeding of lambs and muttons are conflicting: Some indicate fewer sheep will be on feed this winter, while others point to an increase. The prices of feed and the market trend over the next month or two will quite likely determine the movement.

A better demand for poultry and dairy products was noticeable. Production of butter and eggs fell off seasonally and prices were generally upward. Cold storage holdings of those products, however, are very large so that it will possibly be several months before prices are materially higher. Milk and cream were higher as were fresh butter and eggs. The turkey crop is much larger than usual, and the quality of the birds is excellent. Producers placed large flocks on feed for the Thanksgiving trade, and large shipments have already gone to Eastern markets. Prices to growers are quoted at 28 cents to 30 cents per pound. The next few weeks will find many producers preparing the larger birds for the Christmas market.

Although shipments of livestock during October were below those of September, they were considerably above the loadings in October of last year. Total receipts at the Fort Worth yards, exclusive of horses and mules,

during the month amounted to 191,652 head, compared to 197,039 in September, and 173,728 head in October, 1926, according to the Fort Worth Stock Yards Company. Cattle and calves were nearly 20 per cent above those of October last year, while hogs remained about the same. On the other hand, sheep shipments were less than 50 per cent of those for the same month a year ago. The strong range demand for ewe lambs and stockers for breeding purposes is the reason for the smaller loadings. The corn and hog ratio remained at or near normal, but the recent drop in hog prices will work against the feeder.

Prices for cattle were upward, those of sheep were about steady, while hogs suffered a sharp decline. For the week ending November 15, handy-weight hogs on the Fort Worth market were selling for 9.35 cents to 9.75 cents, against 11.65 cents a month earlier. Prime beef steers sold for 11 cents to 11.75 cents, or a gain of a cent a pound for the month. Calves brought 11.50 cents, or the same as on October 15. Best lambs were bringing 13 cents to 13.5 cents, up a cent for the month, and muttons sold for 8 cents, the same as a month earlier.

LIVESTOCK RECEIPTS AT FORT WORTH*

	October 1927	September 1927	October 1926
Cattle	93,987	78,807	82,219
Calves	53,461	40,669	35,191
Hogs	21,470	24,045	19,781
Sheep	22,734	53,518	36,537
Total	191,652	197,039	173,728

*From the Fort Worth Stock Yards Company.

AGRICULTURE

The agricultural situation continues favorable. Many of the unfavorable influences which were noticeable earlier in the year have been corrected and the outlook for the winter is very encouraging. Moisture fell generally over the State during the month resulting in improvement to ranges and pastures and stimulating the growth of fall-sown grains.

Weather conditions were favorable for the maturing and harvesting of late crops. The improvement to crops is reflected in the November 1 report of the United States Department of Agriculture. From 75 per cent to 80 per cent of the cotton crop is harvested, according to recent estimates, and most of it has been sold at relatively high prices. Fall grains made excellent growth in most districts and the early varieties of fruits and vegetables are moving to market in increasing volume. Farmers made good progress with fall work and farm labor is adequate for all needs. Acreage planted to truck crops in the Valley is considerably above that of last year and the citrus fruit harvest is expected to be very large. The estimate for rice and grain sorghums is especially encouraging.

TEXAS CROP REPORT, NOVEMBER 1, 1927*

(In Thousands of Bushels)

	Indicated November	Production October	Harvested
Corn	114,931	113,931	106,863
Oats .....	.....	45,804	83,666
Barley .....	.....	4,928	7,700
Rice	6,279	6,092	6,142
Potatoes	2,441	2,429	2,100
Sweet potatoes	11,970	11,300	8,556
Apples	168	168	380
Peanuts†	83,200	.....	49,345
Pears	338	.....	560
Grapes‡	1,260	1,260	1,200

*From the U. S. Department of Agriculture.

†In Thousands of pounds.

‡In tons.

CARLOT SHIPMENTS

Fruits and vegetables moving to market in Texas during October were considerably above those in September. It looks now as if September will prove to be the low month for this type of shipments, as was suggested in last month's REVIEW: the movement from now on should be heavier each month. During October, 288 cars were loaded, compared to 194 cars in September and 783 cars in August. Sweet potatoes and grapefruit made up the bulk of shipments, while oranges, eggplant, and string beans moved in carlots for the first time this fall.

The mid-month reports by the Market News Specialist for South Texas of the United States Department of Agriculture shows that acreage planted to truck crops in the Valley this year is considerably above last year's plantings. The condition of crops generally is good, and the quality is excellent. A bigger crop of citrus fruits is expected.

Prices were steady with a slight downward trend. The loss for the most part is accounted for by seasonal influences, although potato prices fell off when the Government forecast indicated an increase in production.

TEXAS FRUIT AND VEGETABLE SHIPMENTS*

(In Carloads)

	October, 1927	September, 1927
Watermelons	3	32
Sweet Potatoes	152	133
Potatoes	8	9
Grapefruit	88	.....
Tomatoes	2	.....
Onions	1	4
Mixed Citrus	10	.....
Peppers	7	.....
Eggplant	4	.....
Apples	1	6
Mixed vegetables	5	.....
Oranges	6	.....
Pears .....	.....	8
Cantaloupes	2
String Beans	1
Total	288	194

*From U. S. Department of Agriculture.

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