THE POULTRY AND EGG OUTLOOK, JULY 1931.

Reduction in numbers of poultry on farms, reduced storage stocks, cheaper feeds in relation to prices of poultry and eggs and the sustained consumption of poultry products are the outstanding factors in the poultry outlook. The July 1 number of hens in farm flocks is 5 per cent less and the number of young chickens 10 per cent less than on that date last year. July 1 stocks of poultry in cold storage this year were unusually low, being about 40 per cent less than on that date in 1930 and 25 per cent less than the average July 1 stocks for the preceding 5 years. Stocks of case eggs on July 1 this year were 12 per cent less than on that date in 1930 and 3 per cent less than the 5-year average. July 1 stocks of frozen eggs, however, were only 2 per cent below those of 1930, while they were 40 per cent above the 5-year average. The quantity of eggs being broken for freezing has been rapidly increasing for several years. Combined stocks of case and frozen eggs were equivalent to about 9 per cent less than last year, but 5 per cent more than the 5-year average.

The condition of crops on July 1 promises an abundance of feed. On June 15 the relative price of chicken was considerably above and that of eggs slightly above the price of feed, compared either with last year or with the June average for 5-year period 1923-1927.

Chickens and Hens in Farm Flocks

The number of chickens on farms on January 1, 1931 was 2.4 per cent less than on January 1, 1930, according to estimates based mainly upon returns covering about 25,000 ordinary farm flocks belonging to crop reporters. No adequate data are available to show changes in commercial flocks. The low price of eggs led to heavier than normal marketing of hens during last winter and spring.

Number of Young Chickens on Farms

On July 1, chicks and young chickens of this year’s hatching in ordinary farm flocks numbered 10 per cent less than on that date in 1930, 12 per cent less than in 1929 and 1927 and 4 per cent less than in 1928. In 1930, June sales and farm consumption of young birds were greater than hatchings in that month, so that the numbers of young birds on farms decreased about 2 per cent from June 1 to July 1. This year numbers increased about 2 per cent during June, probably reflecting larger June hatchings this year coupled with smaller June disposal. Reports this year have shown consistently fewer young birds on hand compared with last year, the shortage being 11 per cent in April, 21 per cent in May, 14 per cent in June and 10 per cent in July.

Reports of commercial hatchery output, representing 79,000,000 baby chicks hatched by plants reporting from January to June inclusive this year, show a
decrease of about 27 per cent in salable chicks hatched compared with the same months of last year. Last year an increase of 22 per cent was shown in hatchings of salable chicks from February to June inclusive over the same months in 1929. Just how much of the increase last year and the decrease this year in commercial hatchings represents a shift from farm to commercial hatchings and back to farm hatchings is not known. Lower mortality of baby chicks and smaller marketings of broilers up to July 1 probably account for part of the smaller decrease shown in farm numbers of young birds compared to the decrease in commercial hatchings.

Market Receipts of Dressed Poultry

Receipts of dressed poultry at the four principal markets for the first half of 1931 amounted to about 154,000,000 pounds compared to 132,000,000 pounds for the same period in 1930 and a 5-year average of 120,000,000 pounds. Receipts were extremely heavy during February and March. For the remainder of the period the movement dropped off compared with 1930, although, with the exception of the month of May, it was still equal to or in excess of receipts in comparable months for the years of 1927, 1928 and 1929. It is thought that the heavy receipts in February and March were due to a rather drastic reduction and culling of hens from farm flocks because of low midwinter egg prices, and that the increase over last year's receipts was very largely made up of fowl (hens). The proportion of fowl contained in the unloads of live poultry at New York was very great in the months of January, February and March. For the entire six months the fowl comprised 90.1 per cent of the total compared with 84.8 per cent in 1930. The very short receipts of dressed poultry during May this year were largely the result of the small marketings of broilers due to later hatchings.

Receipts of live poultry, records of which are available only for Chicago and New York, have been about the same as the 1930 movement, New York showing 5,778 cars compared with 5,742 cars in 1930.

Stocks of Frozen Poultry

The net into-storage movement of dressed poultry for 1930-31 season was approximately 38,000,000 pounds short of the movement in 1929-30, and about 20,000,000 pounds smaller than the 5-year average. The peak of the net in-movement was reached on January 1, when stocks amounted to 105,000,000 pounds compared to a 5-year average peak of 125,000,000 pounds and to last year's peak of 142,000,000 pounds on February 1. At the peak point this year stocks of each class of frozen poultry were appreciably lower than in either 1930 or the 5-year average with the exception of fowl (hens), which because of drastic reduction and culling of laying flocks as a result of generally unsatisfactory egg prices during the fall and winter, showed an increase over both last year and the 5-year average. In spite of such large stocks and additional heavy receipts throughout the winter and spring months, the exceptionally low prices on fowl for the first six months of the year encouraged a good consumption and even with heavy receipts throughout the winter and spring months the large stocks of fowl were reduced by July 1 to less than either last year or the 5-year average for that date.

Total stocks of frozen poultry on July 1 amounted to 33,000,000 pounds compared with 54,000,000 pounds on July 1 last year and a 5-year average of 44,000,000 pounds. Inasmuch as the net out-movement normally continues for another month or so, the low point of frozen poultry stocks in 1931 will probably be the smallest since 1922.

Poultry stored in the fall of 1930 was put in at relatively low price. Although the unexpectedly heavy receipts of the first three months of 1931 kept
prices down to a level below that which had been anticipated generally, some profit was made on the deal, with the possible exception of fowl. This fact combined with the expected very small stocks at the low point this fall should result in a fairly good demand for poultry to be stored.

Consumption of Poultry

The apparent urban consumption of poultry for the months of January to June this year was about 4 per cent less than for the same months in 1930, judged by the movement through trade channels. In the four most important markets of New York, Chicago, Boston and Philadelphia, the movement of dressed poultry into consumption in January, February and March was slightly above that of the corresponding movement of 1930, but dropped below last year for April, May and June. The largest decrease for any of the months showing lighter consumption occurred in May, during which month the apparent consumption was less than in May 1930. It is considered likely that the big drop in consumption in May was largely the result of a limited supply due to the lateness of the 1931 broiler crop getting under way to market. The hatching season of 1931 was two to four weeks later than that of 1930, so that the shipments of broilers, live or dressed, were not as great in April and May as in 1930. With the young stock reaching the proper shipping weight the latter part of May, total receipts for all classes of dressed poultry in June were off only about 1,400,000 pounds, with consumption down about 2,700,000 pounds or 10 per cent.

Prices of fowl have been conducive to liberal consumption. Not only have current receipts of both live and dressed been extremely heavy, but storage stocks which in the first part of the year were well above those of a year ago and the 5-year average, have been reduced below the July 1 figure for both last year and the 5-year average.

Summer and Fall Marketings of Chickens

Numbers of both hens and young chickens being definitely fewer than a year ago, marketing will probably be distinctly less. The present price of chickens is relatively higher than that of most farm products, but the tendency of farm producers of poultry to sell young birds probably will be modified by consideration of the advantage of marketing some of the abundant supply of grain in the form of heavier birds. Also, the proportion of pullets marketed is likely to be somewhat less than usual if expected decrease in egg production this fall should improve the present slightly favorable market position of eggs.

Feed Prices

On June 15 farm prices of corn and other items making up a poultry ration were only 60 per cent of the June 15th average for the years 1923 to 1925, while the farm price for chickens was 76 per cent and of eggs 63 per cent of the June 15 average for the same 5 years. Compared with these years, June feed prices last year stood at 90, with eggs at 83 and chickens at 89. On June 15, this year, therefore, chicken prices were relatively much higher, and egg prices slightly higher, than feed prices, while in June last year chicken prices were slightly lower and egg prices materially lower than feed prices; compared with their relative positions in the years 1923 to 1927. Corn, the principal component of the poultry ration for the country as a whole, showed a July 1 condition giving indication of a crop 43 per cent larger than the extremely small crop of last year and about 7 per cent larger than the 5 year average production, provided that subsequent seasonal influences should prove to be average. There is also an abundant supply of wheat.
Egg Production

Egg production per hen as reported for the first day of each month January to July has been 5 per cent greater than in 1930 and about 7 per cent above the 5-year average. Layings per hen were exceptionally heavy from January to March, but they were only slightly greater than last year or the average in recent years from April to July. While total farm production of eggs in January and February this year was much above that in 1930, the reduction in numbers of layers through heavy marketings of hens in February and March resulted in a production from March to July slightly below that of the same months of both last year and the 5 years 1925 - 1929. Total farm production of eggs as indicated by the aggregate layings per farm flock on the first day of each month from January to July was about one-half of 1 per cent less than for the same months last year and about 2.8 per cent more than the 5-year average.

Market Egg Receipts

Although the numbers of hens and pullets in farm flocks for the first six months of 1931 were smaller than for the same months in 1930, receipts of eggs at the four principal markets of New York, Chicago, Boston and Philadelphia, exceeded similar receipts of the preceding year by 93,818 cases, and were the largest for that period since 1927. The explanation for this is found largely in the early production by pullets - a reflection of the unusually heavy hatches during the first part of the 1930 hatching season - and later, to a very open and mild winter throughout the principal egg producing sections. These facts were largely responsible for the unusually large receipts during the first three months of the year. That receipts did not show the effects of the reduction in farm flocks throughout the season of flush production may be partly attributed to the sharp curtailment in hatchery operations and to a decrease in the quantity of eggs broken for freezing purposes at points outside of the four markets. With both the hatching and breaking seasons now practically over, the effects of the reduced demand for eggs from those industries will no longer be felt in market shipments, and for the remainder of the current production season receipts should reflect more accurately the changes in size of laying flocks.

Storage Egg Stocks

The into-storage season for 1931 opened with a total of 407,000 cases on hand as of March 1 compared with 84,000 cases on the same date a year earlier and a 5-year average of 86,000 cases. The large quantity of eggs in storage on March 1 this year, was due partially to an unusually heavy carry-over from the preceding season's stocks and partially to a heavy production during the latter part of February, causing the into-storage movement to begin a little earlier than usual.

The 1930 storage deal proved very disastrous to holders of storage eggs. The relatively high prices at which eggs went into storage and the record breaking peak holdings of August 1, combined with a generally slow and unsatisfactory consumption demand throughout the fall and early winter months, caused many holders of stored eggs to suffer severe financial losses. This experience caused buyers to enter the 1931 storage deal very cautiously, inclined to store considerably less eggs than they did in 1930 and at a materially lower cost. The demand for eggs to be stored this year has been markedly weak, and although the movement into storage during the first part of the season was particularly heavy, it was not so much a reflection of the active participation of speculative interests as it was of storage by shippers and receivers to protect themselves against
loss. Later in the season, with some decrease in the level of receipts, the pressure to store in order to prevent losses became less urgent, and the movement into storage was less rapid. On July 1 eggs held in reserve in cold storage warehouses amounted to 9,495,000 cases in contrast with 10,743,000 cases a year earlier and a 5-year average of 9,791,000 cases. The July holdings this year were approximately 1,243,000 cases less than on the same date in 1930. Since July 1 the interstorage movement has shrunk more rapidly than it did a year ago, as indicated by weekly reports obtained from 28 of the most important storage centers. The peak holdings, ordinarily reached on August 1, will likely, therefore, be smaller than the peak holdings of last year by an even greater margin than existed on July 1. Even at that the supply of eggs placed in cold storage this year is without doubt sufficiently large to guarantee an ample reserve supply for the coming fall and winter trade.

Frozen Eggs

The smaller stocks of shell eggs in storage this year are partially offset by the relatively large stocks of frozen eggs. On July 1 amounting to about 113,000,000 pounds, which was only slightly less than the 115,000,000 pounds reported on July 1 last year, but considerably in excess of the 5-year average of 81,000,000 pounds. During the out-of-storage season of 1930-31 the net reduction in stocks of frozen eggs amounted to only approximately 43,000,000 pounds, leaving a carry-over into the new storage season of around 74,000,000 pounds compared with 35,000,000 pounds for the previous year and 31,000,000 pounds for the 5-year average. With these storage stocks of frozen eggs, the shell egg market can expect little, if any, support from the sources that are using frozen eggs. In fact, the increasing use of frozen eggs in lieu of cold storage shell eggs by certain industries for the past few years may be expected to continue, as a result of the conveniences and economies of handling, in consequence of which it may be assumed that in combination with the increasing fall and winter production a relatively smaller proportion of the eggs produced will hereafter go into storage stocks of shell eggs.

Consumption of Eggs

Judging by the disappearance of shell eggs from trade channels in the four principal markets, consumption in urban centers during the first six months of 1931 was around ten per cent greater than during the same period of 1930. Disappearance was especially large for the months of January, February, and March when the necessity of moving into consumption exceptionally heavy stocks of storage eggs from the preceding season together with the competition afforded by a large midwinter fresh egg production, forced prices to the lowest levels reached since before the war. During these three months trade disappearance increased approximately 17 per cent. After the old storage stocks were cleared in early March, however, and consumers became accustomed to the lower price level, they adjusted their demand more in line with their normal requirements and their current economic conditions. Rising prices throughout the latter part of March and the first part of April checked consumption in April and May, but with prices once more declining, touching in June the low point reached in mid-February, it again showed a marked improvement.
Fall and Winter Production of Eggs

With 5 per cent fewer hens, and with about two per cent fewer young chickens available from which pullets may be saved, the number of layers during the coming fall and winter seems likely to be materially less than last year. The present outlook, therefore, is for fewer hens but for heavy feeding and relatively high egg production per hen during the fall and winter. Even though the tendency to heavier than usual laying per hen evident during the first half of the year should continue, it seems unlikely that enough pullets will be saved to bring the total production of eggs during the rest of the year up to that of the last half of 1930. If an unusual proportion of the young pullets should be saved, the reduction in numbers of layers might not be so great as now seems probable. But pullets were hatched much later this year than last and if an undue proportion of them should be added to the laying flock, the later date at which they come to laying age will tend to retard fall and early winter production to some extent compared with last year although layings in later months and at the spring peak might be heavy.