The supply of fresh eggs during the coming fall and particularly during the winter will fall considerably below last year, owing to fewer layers and to the scarcity and high price of feed. The supply of case eggs in cold storage on August 1 was about 6 percent less than last year and 2 percent less than the 5-year average, but combined stocks of shell and frozen eggs were practically the same as last year. Farm prices of eggs during recent months have been higher than a year ago, and prices this fall are likewise expected to be higher.

The production of poultry this year has been much less than last year and the smallest since 1925. The number of chickens hatched this year was about 10 percent less than last year; and the number of hens in farm flocks on August 1 was 3 percent less than last year. While the change in the number of layers in the following fall and winter is not usually as great as the change in the number of chickens raised, it may prove this year to be nearly as great owing to a greater than normal disposal of hens and pullets in the drought areas of the Central States.

Stocks of dressed poultry in cold storage on August 1 was about 2 percent less than last year. The scarcity of feed in many important poultry producing States is forcing poultrymen to dispose of some of their surplus young stock earlier than usual and it will probably compel them to reduce considerably the number of layers carried through the winter. The decrease in the number of birds marketed this year will not be as great as the decrease in hatchings, but the decrease in tonnage may be fully as great, for many birds will be marketed at earlier ages and lighter weights. The farm price of poultry throughout the fall of 1934 will be well above that of last year.

In the extreme drought areas poultrymen are faced with highly unfavorable conditions. In sections favored with sufficient supplies of feed there appear to be good opportunities for producers. The prospectiveduction of eggs throughout the fall and winter, and the relatively small production next spring, should result in a level of prices sufficiently high to offset in part a higher price of feed. The improved prices for eggs now prevailing and in prospect is likely to encourage producers to maintain their laying flocks. Although at present there is little inducement to carry young chickens over to heavier weights on high priced feed, it would be desirable to do so where they can be grown to a heavier weight largely from what they can pick up on natural range.

HENS IN FARM FLOCKS

The number of hens and pullets of laying age in farm flocks on August 1 this year was 3 percent less than on August 1 last year and in 1932, 10 percent less than the August 1 average for the five years 1927 to 1931, and the smallest since the record was begun in 1925. The decreases were greatest in the Central and Southern States. Numbers elsewhere show little change from last year. A material reduction this fall and winter in number of layers seems inescapable in many important egg producing States of the Central West where feed is insufficient to carry present numbers of livestock. It appears probable from the conditions existing in early August that the number of hens and pullets on hand at the close of the year will have fallen close to 10 percent below numbers at the beginning of the year.
YOUNG CHICKENS ON FARMS

The number of chickens of this year's hatching reported on hand in farm flocks, was consistently less than last year each month from April to July. On July 1 numbers were 10 percent less than last year, 8 percent less than in 1932 and 9 percent below the 5-year average for that date. July numbers this year were about 2 percent less than in 1931, the previous low point of the decade, and they were 14 percent less than the high point in 1927.

The number of young birds in the North Central States, which last year furnished about 75 percent of the market poultry shipped to the New York, Boston, Philadelphia and Chicago markets, was about 14 percent less on July 1 this year than last. The North Atlantic and Far Western States, which are important from the standpoint of egg production, showed decreases in young birds of about 10 percent and 5 percent respectively; the South Central States a decrease of about 9 percent and the South Atlantic States practically no change.

COMMERCIAL HATCHINGS IN 1934

Commercial hatchings of baby chicks during the first six months of 1934 were about 10 percent smaller than for the same period a year earlier. Hatchings were very much smaller than last year in the Central States, ranging from 8.7 percent in the West North Central to 19.3 percent in the East North Central. Hatchings for the Pacific Coast States were 11.2 percent smaller, but showed an increase of 6.6 percent for the Mountain States. The hatching industry in the Mountain States has experienced a gradual expansion during the past two to three years, and commercial egg producers throughout that section are now buying baby chicks from local hatcherymen rather than from Pacific Coast Hatcheries as they did a few years ago. On the Atlantic States, hatchings were 15.6 percent smaller in the Middle Atlantic and 10.9 percent in the South Atlantic States. Hatchings in the New England States, however, showed an increase of 30.2 percent.

EGG PRODUCTION

The number of eggs laid per hen on the first day of each month from January to August this year was 6 percent less than the high record of 1931 and 4 percent less than in 1932, but only 2 percent less than in 1933. The total production of eggs per hen for the year seems likely to fall several percent below the 5-year average. While prices of eggs have in recent months been higher than in 1932 and 1933, they still remain below the July price in any other year back to 1910 at least, and feed prices are relatively higher than egg prices, compared with either pre-war or post-war. On the basis of the July feed-egg ratio, there was no strong incentive to liberal feeding of hens.

The total production of eggs will be materially less this year than last owing to the decrease in number of layers and to the probably smaller production of eggs per hen. Total farm production of eggs from January to August, as indicated by aggregate layings of farm flocks on the first day of each month, was about 4 percent less this year than for the same months last year, and 11 percent below the 5-year average of those months.

The decrease in total farm production of eggs during the first seven months of the year was most pronounced being 7 percent in the Southern States and 5% in the North Central States. In the North Atlantic commercial egg producing area, the production was about the same as last year, and in the Far Western commercial egg producing areas there appears to have been a small increase.
FALL AND WINTER PRODUCTION OF EGGS

With the number of hens 3 percent smaller than last year on August 1, with the decrease in number of pullets raised, and with the heavy marketings of hens and pullets in the drought area, the production of eggs during the early fall will probably be at least 5 to 10 percent less than in that period last year, and production of eggs in the late fall and winter will likely show an even greater relative decrease. Unusually favorable weather conditions during the fall and winter might result in a smaller decrease.

FEED SUPPLIES

Feed supply this year will be much smaller than even the short supply of last year. The August 1 conditions indicate a shortage in production compared with last year of 31 percent in corn, 25 percent in oats and 7 percent in wheat. As compared with a 5-year average production, the indication is for 36 percent less corn, 54 percent less oats and 45 percent less wheat. The decrease in numbers of livestock due to emergency slaughter resulting from the drought will offset only to a partial extent the decrease in feed production.

The feed shortage is particularly serious in the West North Central States and adjoining portions of the Plains area which normally produce about 35 percent of the nation's supply of poultry. In large portions of Missouri, Nebraska, South Dakota, Kansas, Oklahoma, Colorado and sections of other States the feed situation is desperate with production only from a third to a fourth that of last year.

MARKET SUPPLIES AND APPARENT TRADE OUTPUT OF EGGS

RECEIPTS OF EGGS - Receipts of eggs at the four leading markets of New York, Chicago, Boston, and Philadelphia for the first seven months of 1934 amounted to about 9,800,000 cases compared to 10,600,000 cases for the same months last year, a decrease of 9.0 percent. Receipts were smaller from all sections with the exception of the Middle Atlantic, Mountain, and Pacific Coast, which showed increases of 15.5 percent, 11.9 percent, and 0.6 percent, respectively. The heavier receipts from the Far Western States were due primarily to heavy shipments of last year storage eggs to Eastern markets the first part of the year. Receipts of fresh eggs from that section were also heavier during those months due to some increase in production, but later in the season they again dropped below those of a year earlier. Receipts from the drought stricken area of the Middle West showed a sharp drop during the months of May, June, and July, although previous to those months they had been close to normal.

STORAGE STOCKS OF EGGS - Combined stocks of shell and frozen eggs, on a shell egg equivalent basis, on August 1 this year were practically the same as on the same date last year. Stocks of shell eggs amounted to 2,949,000 cases, compared to 9,507,000 cases on August 1 last year and 9,120,000 cases for the 5-year average. The lighter than last year stocks of shell eggs were almost offset by the much heavier stocks of frozen eggs, which on August 1 amounted to 121,506,000 pounds, the largest amount ever reported in storage at any time since records became available. Combined stocks of shell and frozen eggs in storage on August 1 amounted to 12,421,000 cases, compared to 12,583,000 cases on August 1 last year, and 12,144,000 cases for the five-year average. Although considered as being fairly close to normal in comparison with both last year and the 5-year average, supplies of storage eggs at the present time would probably prove excessive on the basis of the current level of demand and under normal production conditions for
the remainder of the year. Inasmuch, however, as fresh egg production this fall and early winter will be smaller than that of a year earlier, the present stocks of storage eggs no longer seem excessive.

APPEARENT TRADE OUTPUT OF EGGS - The apparent trade output of eggs for the four leading markets for the first seven months of 1934 were about 2 percent larger than for the same months last year. Volume of eggs moving into commercial trade channels was very heavy during January, February and March, when in addition to fairly large purchases for Relief purposes, demand was apparently stimulated by large expenditures through the Civil and Public Works program. For April, May, June and July, however, trade output was considerably below that for the same four months last year, and practically offset the large increases that occurred during the first three months.

MARKET SUPPLIES AND APPARENT TRADE OUTPUT OF POULTRY

RECEIPTS OF POULTRY - Receipts of dressed poultry at the four markets for the period of January to July, 1934, were 10 percent smaller than for the same period last year. Receipts from the Pacific Coast, which are normally small, were heavier, by about 150 percent, from the West North Central States 2.4 percent, and from the New England States about 1 percent. Receipts from all other areas showed substantial decreases. The increase from the West North Central States was mainly in June and July when farmers began to sell off their stocks as the continued drought not only caused further damage to feed crops but also destroyed the green range which provided many farm flocks with a large part of their summer food.

Receipts of live poultry at New York and Chicago, the only two points for which such information is available, was about 2 percent lighter than last year. The 10 percent decline in baby chicks hatched this year has resulted in a smaller number of chickens available for marketing, which the lack of feed and unseasonable growing conditions, has been reflected in the marketings of the birds at a much younger age and at a much lighter weight. The midsummer markets have been well supplied with chickens under three pounds but those over three pounds have been scarce. Should distress marketings of young chickens continue a scarcity of heavy roasters will occur.

STORAGE STOCKS OF DRESSED POULTRY - Stocks of poultry in storage on July 1 this year amounted to 40,609,000 pounds compared to 42,705,000 pounds on July 1 last year and 41,235,000 pounds for the 5-year average. In contrast to the usual seasonal trend stocks showed an increase in July, and on August 1 amounted to a total of 44,624,000 pounds compared to 44,979,000 pounds on August 1 last year and 39,450,000 pounds for the 5-year average. This contra-seasonal movement was due to heavy marketings of poultry by farmers in the drought-stricken States of the Central West who were unable to hold them any longer because of the devastating effect of the continued hot weather and lack of rain on their crops and feed supplies. Because of this situation stocks of dressed poultry in storage are likely to experience further sharp increases during the late summer and early fall months, but unless forced selling also develops later in the year the peak of the present storage season may not show any greater stocks in storage than a year earlier. Against the possibility that as great a number of birds may be marketed this summer and fall as a year ago is the fact that the weights will be lighter, so that the total tonnage stored may not be quite as large as that of a year ago.

APPEARENT TRADE OUTPUT OF DRESSED POULTRY - The apparent trade output of dressed poultry for the four markets for the first seven months of 1934 was about
5 percent smaller than during the corresponding months of 1933. This was due chiefly to a decline in current receipts, which were about 14,600,000 pounds less compared to a decline of about 9,200,000 pounds in the current trade output. Although stocks in storage at the beginning of the year were larger than those of a year earlier and also the 5-year average such stocks were absorbed readily through trade channels during the winter and spring months at prices above those at which stored during the preceding fall. No figures are available on the trade output of live poultry, but based upon receipts at Chicago and New York it was slightly less than the preceding year. Prices, however, were substantially higher, indicating a somewhat better demand.

**Egg Prices**

Farm egg prices during the first half of 1934 were higher than those for the same period in 1933. The price on July 15 was 14.1 cents per dozen as compared with 13.1 cents per dozen on July 15 a year earlier. This difference, however, does not indicate the full extent of the improvement in farm egg prices since the average of monthly prices for April, May, and June in 1933 was only 10.7 cents per dozen, whereas the average for the same months of 1934 was 13.3 cents per dozen. These prices indicate an advance of about 24 percent in egg prices for the three months of greatest production. This advance in egg prices as compared with those of a year ago is attributable to several factors. Consumers' money incomes advanced considerably during this period, production and market receipts in 1934 declined, and food supplies have been reduced somewhat, a factor which has contributed to a general increase in food prices.

Egg prices at wholesale, during the months of April, May, and June were about 19 percent above those for the same period in 1933. The failure of wholesale egg prices to advance as much as farm prices is in part explainable on the basis of quality. Lower average quality of receipts has caused a larger proportion of eggs to sell in lower priced grades. This has tended to exert an additional depressing influence on wholesale prices of grades of lower quality with the result that the price spread between different grades of eggs in 1934 was wider than would be expected on the basis of average price differences for the previous five years.

The seasonal advance in egg prices throughout the remainder of 1934 will probably be greater than normal. Production will be smaller and the depressing effect of storage supplies will not be greater than was the case in 1933. Egg prices also tend to rise with general advances in the level of prices of food commodities. Retail food prices advanced about 5 percent during the twelve months ending August 1, 1934. A further advance in food prices during the remainder of the fall would probably be required to cause farm egg prices to rise as rapidly as was the case during the fall of 1933.

**Poultry Prices**

The farm price of chickens on July 15, 1934 was 11.7 cents per pound. This is an increase of 12 percent over the price on the same date in 1933, an increase attributable to increased consumers' money incomes and decreased supplies both of poultry and other meat products. The farm price of chickens usually reaches its peak in May and then declines until December. In 1934, however, the May price was 11.2 cents per pound which was maintained in June and increased to 11.7 cents per pound in July. This unseasonal rise in farm chicken prices was due to expected smaller supplies for the remainder of the year, and also to an anticipated general rise in prices of food commodities.
Wholesale prices of fresh dressed poultry at New York City for the month of June, 1934, was 15 percent above those of the same month last year.

With heavier marketings of poultry which always come in the fall, and with the distress marketings from drought areas, some of the normal seasonal decline in poultry prices is almost certain to occur, but the small stocks of poultry on farms, together with moderately reduced supplies of many other farm products, will cause poultry prices to be maintained throughout the fall of 1934 at levels above those of a year ago.