

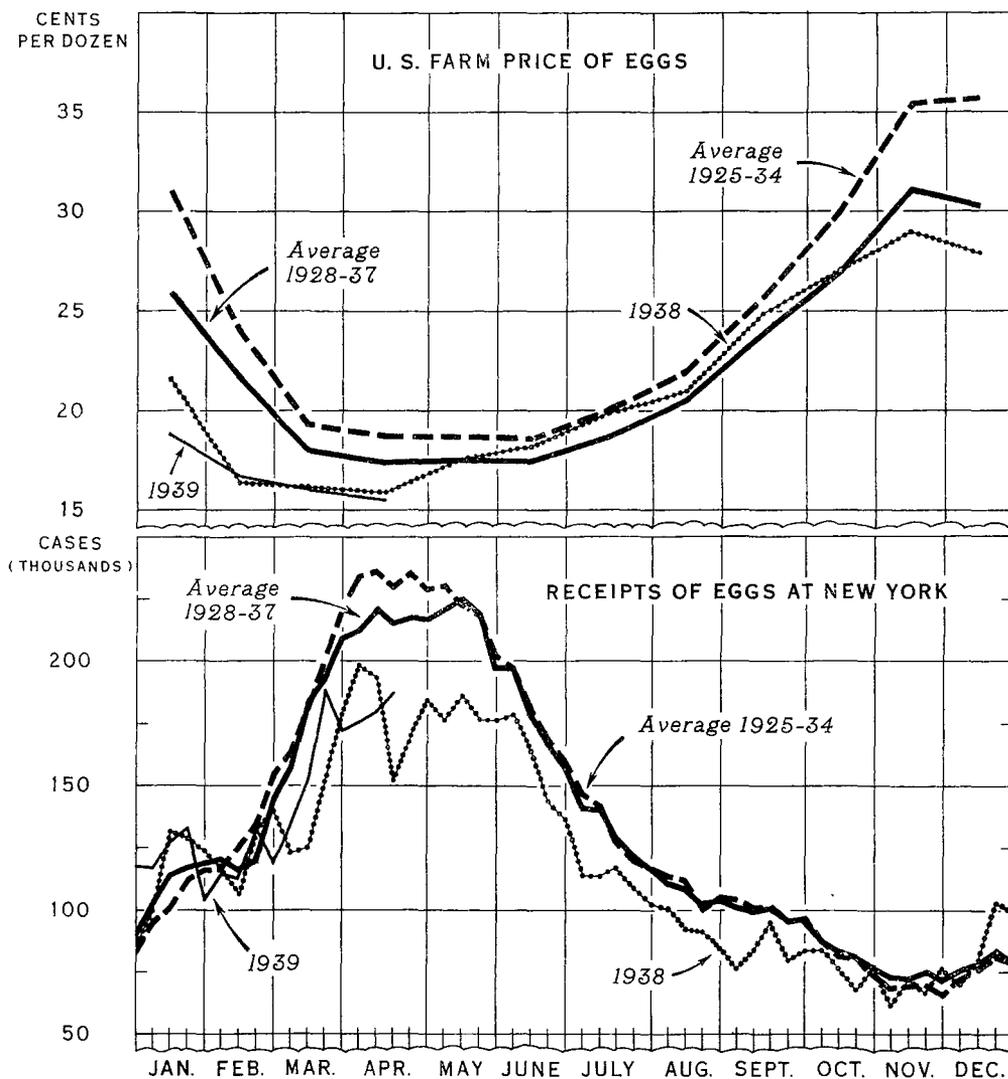
UNITED STATES DEPARTMENT OF AGRICULTURE
 BUREAU OF AGRICULTURAL ECONOMICS
 WASHINGTON

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THE POULTRY AND EGG SITUATION

EGGS: FARM PRICE IN THE UNITED STATES
 AND RECEIPTS AT NEW YORK



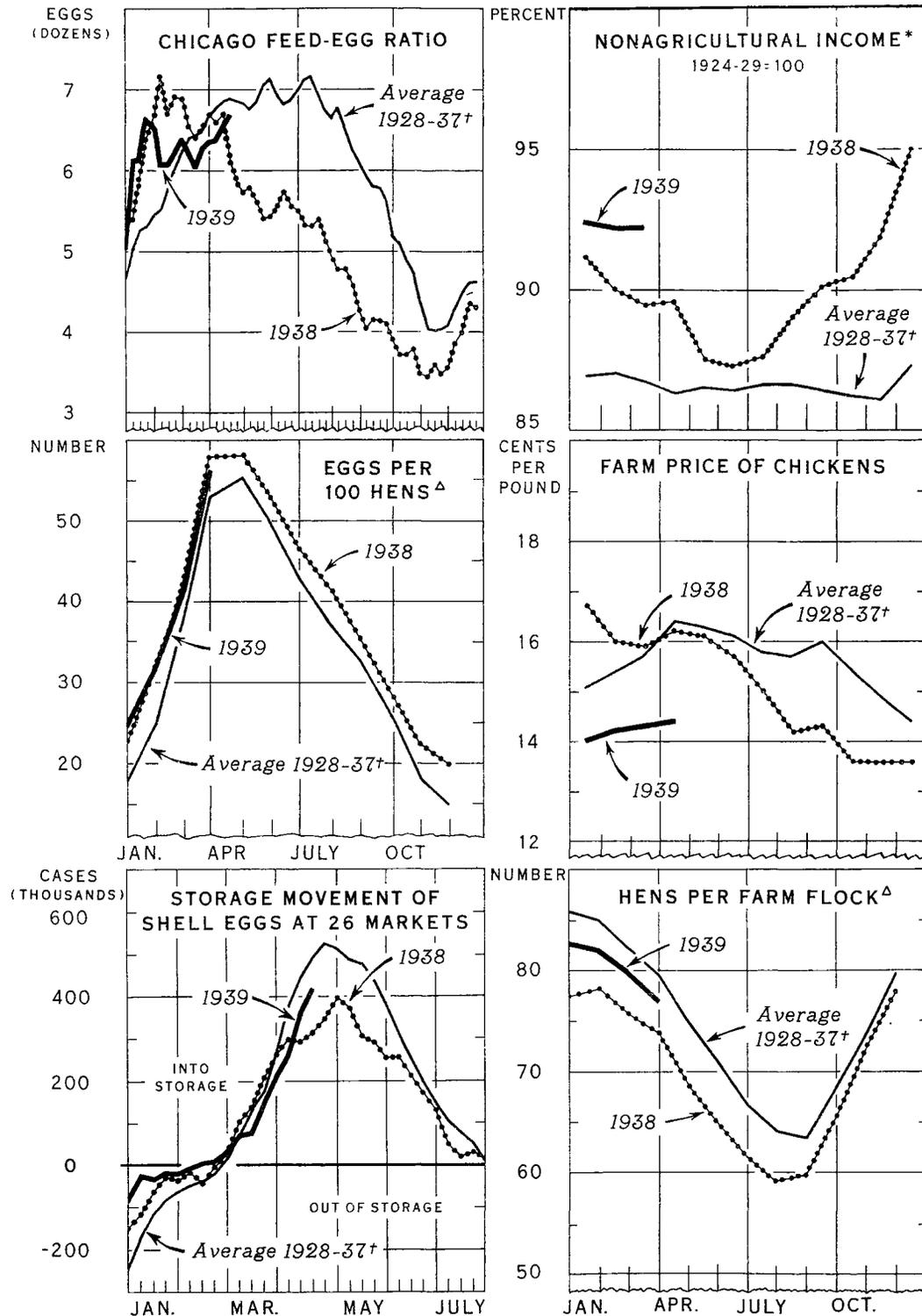
U S DEPARTMENT OF AGRICULTURE

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BUREAU OF AGRICULTURAL ECONOMICS

A SHIFT FROM THE 1925-34 AVERAGE TO THE 1928-37 AVERAGE FOR PURPOSES OF COMPARISON MAKES ALLOWANCE FOR AN APPARENT CHANGE IN THE SEASONAL VARIATION OF EGG PRICES. AVERAGE PRICES WERE MUCH LOWER IN THE LATTER PERIOD FROM NOVEMBER TO JANUARY THAN FROM MARCH TO JUNE. THIS CHANGE IN THE SEASONAL VARIATION OF PRICES SEEMS TO BE LARGELY A RESULT OF CHANGES IN EGG PRODUCTION AND RECEIPTS. AVERAGE RECEIPTS OF EGGS AT NEW YORK WERE MATERIALLY LESS FROM APRIL TO THE MIDDLE OF MAY DURING 1928-37 THAN DURING 1925-34 BUT WERE SOMEWHAT LARGER FROM NOVEMBER TO JANUARY.

THE POULTRY AND EGG SITUATION AT A GLANCE



+AVERAGE FOR 1928-37 (INSTEAD OF FOR 1926-34, AS FORMERLY) SHOWN FOR PURPOSES OF COMPARISON
 *INDEX NUMBERS, ADJUSTED FOR SEASONAL VARIATION
^Δ ON 1ST DAY OF MONTH

FIGURE 1

THE POULTRY AND EGG SITUATION
-----Summary

The outlook for poultry and eggs changed little during the past month, according to the Bureau of Agricultural Economics. The feed-egg ratio is less favorable for production than it was a month ago but has been slightly more favorable than it was last year or than the average for 1928-37. Egg production per 100 hens on April 1 was about 3 percent less than the record high production last year, but the increased size of flocks resulted in the largest production per flock reported since 1930.

Receipts of eggs at the 4 markets have been increasing steadily since February. Receipts during the 4 weeks ending April 22 were 4 percent above last year. The into-storage movement of frozen eggs has been above last year throughout this season, and since April 15 the movement of shell eggs has been above last year. Egg prices declined seasonally from March 15 to April 15.

Receipts of dressed poultry at New York in April were about 6 percent larger than in April last year, and United States storage stocks of frozen poultry on April 1 were about 15 percent larger than last year. Poultry marketings during the remaining months in 1939 are expected to continue larger than in 1938 since there are more chickens on farms this year, and reports have indicated a probable large increase in the size of this spring's hatch of both turkeys and chickens.

Feed situation

The feed-egg ratio (based on Chicago prices) has risen rather steadily during the past month and for the week ending April 22 was the highest to date this year. The ratio normally rises from December to June. During the

3 weeks ending April 15, the ratio was 4 percent below the corresponding weeks last year and 5 percent below the 1928-37 average. However, for the week ending April 22, the ratio was 10 percent above last year. The use of the new 10-year average (see page 9) makes egg production in 1939 appear more profitable than when the feed-egg ratio was compared with the 1925-34 average.

Feed-egg ratio at Chicago
(Ratio of cost of 100 pounds of poultry ration to price of one dozen eggs)

Year	Week ending as of 1939											
	Jan. : 28	Mar. : 25	Apr. : 1	Apr. : 8	Apr. : 15	Apr. : 22	Apr. : 29	May : 6	May : 13	May : 20	July : 29	Oct. : 28
	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.
Average												
1928-37:	5.32	6.51	6.69	6.78	6.86	6.89	6.86	6.83	6.75	6.86	6.75	4.72
1938 ..:	6.39	6.56	6.70	6.58	6.70	6.10	5.85	5.73	5.78	5.61	5.12	3.79
1939 ..:	6.65	6.28	6.35	6.38	6.55	6.69						

Hatchings

The relatively favorable feed-egg ratio continues to encourage an increase in the 1939 hatch as compared with 1938.

The average number of young chickens of this year's hatching on hand April 1 was about 4 percent above the number on hand last year. The number on April 1 this year was the largest since 1927, the first year of the record. However, this figure varies greatly from year to year and should be taken only as a general indication. The indicated change on April generally shows the direction of the trend in production of chickens for the season, but it does not always do so and is far from being a reliable measure of the degree of change, even when it is correct as to trend. However, the intended increase of 8 percent in the purchase of baby chicks reported last month, together with the 4 percent increase in young chickens on hand April 1, does indicate the probability of an increase in chicken numbers during the year.

Reports from commercial hatcheries showed an increase of 18 percent in the number of chicks hatched in March as compared with a year earlier. Eggs set during March increased 16 percent, and advance orders on April were 23 percent above the preceding year.

Poultry marketings

Receipts of dressed poultry at New York during the four weeks ended April 22 were about 6 percent larger than in the corresponding weeks of 1938 and 6 percent above the 1928-37 average. Receipts will probably continue larger than in the same months of 1938 during the remainder of 1939. Poultry receipts usually reach a low point in April and increase from that date until December.

Receipts of dressed poultry at New York

Year	Week ending as of 1939								
	Mar. : 25	Apr. : 1	Apr. : 8	Apr. : 15	Apr. : 22	Apr. : 29	May : 6	May : 13	June : 24
	:1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	:pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Average									
1928-37	2,093	2,138	2,175	2,274	2,302	2,372	2,687	2,720	3,345
1938	1,707	2,538	1,989	2,341	1,991	2,221	2,826	2,977	3,560
1939	2,808	2,425	2,294	2,275	2,418				

Poultry storage

Stocks of frozen poultry in the United States on April 1 were 15 percent above stocks of a year earlier but 24 percent below the record high stocks for April 1, 1937. The out-of-storage movement has probably reached its seasonal peak, and during the 3 weeks ended April 15 was about equal to the movement last year.

Storage stocks of frozen poultry at 26 markets

Year	Week ending as of 1939						
	Storage : stocks	Out-of-storage movement					Storage : stocks
	Mar. 25	Apr. : 1	Apr. : 8	Apr. : 15	Apr. : 22	Apr. : 29	Apr. 29
	: 1,000	1,000	1,000	1,000	1,000	1,000	1,000
	: pounds	pounds	pounds	pounds	pounds	pounds	pounds
Average							
1928-37	69,217	4,486	4,437	4,372	4,309	3,728	47,885
1937	96,200	5,752	5,498	5,249	4,578	3,586	71,537
1938	61,719	3,252	5,548	4,357	2,401	2,461	43,700
1939	74,744	4,520	4,692	4,059	3,982		

Chicken prices

The farm price of chickens on April 15 was fractionally higher than on March 15, but the increase was much less than the average seasonal amount. The price on April 15 was about 2 cents per pound below ^{both} last year and the 1928-37 average for April 15. The effects of the larger supplies of poultry on farms and in storage this spring compared with last will be partly offset by the probable higher level of consumers' income and demand.

Price per pound received by farmers for chickens

Year	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Sept. 15	Nov. 15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average									
1928-37	15.1	15.4	15.7	16.4	16.3	16.1	15.8	16.0	14.9
1937	13.4	13.6	14.4	15.2	14.8	14.8	15.3	17.4	16.9
1938	16.7	16.0	15.9	16.2	16.1	15.7	15.0	14.3	13.6
1939	14.0	14.2	14.3	14.4					

Domestic demand

There was little change during the past two months in general business activity and other conditions affecting the current domestic demand for farm products, although the coal strike resulted in a decline of several points in the index of industrial production during April. But a number of events occurred which may have an important bearing on demand conditions during the remainder of the year. Outstanding events were the increased tenseness of the political situation in Europe and the sharp declines in stock prices to the lowest point since June 1938. These developments and uncertainties tend to reduce, but do not eliminate, the possibility of some improvement in business and consumer incomes by summer. The actual outcome depends largely upon how long the fears and uncertainties continue. The best appraisal which can now be made of the outlook for domestic demand is that the anticipated moderate spring-summer improvement will be delayed, and possibly even prevented altogether, but prospects still are for a year of relative stability in domestic demand conditions if there is no general European war.

Index of nonagricultural income
(1924-29 = 100, adjusted for seasonal variation)

Year	Jan.	Feb.	Mar.	Apr.	May	June	Aug.	Oct.	Dec.
Average									
1928-37	86.9	87.0	86.7	86.3	86.5	86.4	86.6	86.2	87.3
1937	92.6	93.7	94.8	95.7	96.8	96.8	98.2	96.4	98.4
1938	91.2	90.0	89.5	89.6	87.5	87.3	89.0	90.5	95.0
1939	92.4	92.2	1/92.2						

1/ Preliminary

Laying flock size

The seasonal decline in numbers of hens and pullets in farm flocks this year has been about equal to the usual decline. The number of layers per farm flock on April 1 was about 4 percent above a year ago but about 3 percent below the 1928-37 average for April 1.

Average number of laying hens per farm flock on the
first day of the month

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Oct.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37	86.0	85.1	82.3	79.7	75.1	70.9	66.8	68.6
1937	84.2	82.5	80.0	77.5	73.1	68.5	63.6	64.3
1938	77.6	78.3	75.8	73.8	68.6	65.0	61.6	65.6
1939	82.8	82.0	79.8	77.0				

Egg production

Although egg production per hundred layers failed by 3 percent to equal last year's April 1 production, it was 6 percent above the 1928-37 average for April 1 and was the highest April 1 rate of laying on record except for last year's.

Reported production per farm flock on April 1 was 1 percent above last year and was the largest for that date since 1930. It was about 2 percent above the 1928-37 average production for April 1. It is expected that the aggregate egg production per flock from March to June will be from 1 to 5 percent above last year for these months because of the larger size of farm flocks on March 1.

About 37 billion eggs were produced on farms in the United States in 1938. This was only 2 percent less than the 1937 production which was the largest production on record. Production in 1938 was 1 percent above the 1927-36 average. A complete report giving farm production and disposition of chickens and eggs by States for 1937 and 1938 may be obtained from the Bureau of Agricultural Economics.

Eggs laid per 100 hens and pullets of laying age in farm
flocks on the first day of the month

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Oct.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37	17.9	25.0	37.7	53.0	55.5	50.1	42.8	25.5
1937	22.0	25.7	39.2	52.8	57.8	52.5	44.4	28.8
1938	22.7	32.2	42.2	57.9	58.1	52.9	46.5	28.2
1939	24.6	31.9	41.4	56.3				

Egg marketing

Receipts of eggs at New York during the 4 weeks ending April 22 were 1 percent below receipts a year ago and 17 percent below the 1928-37 average for this period. During March, receipts at New York were about 10 percent above last year. However, last year in early April receipts rose rapidly above preceding weeks while this year receipts during the 4 weeks ending April 22 were slightly below receipts for the week ending March 25. This accounts for the apparent reversal in the trend of egg receipts at New York as compared with last year.

Receipts of eggs at the 4 markets have been rising steadily since February and during the 4 weeks ending April 22 were 4 percent above last year.

Receipts of eggs at New York

Year	Week ending as of 1939								
	Mar. : 25	Apr. : 1	Apr. : 8	Apr. : 15	Apr. : 22	Apr. : 29	May : 6	May : 13	June : 24
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	cases	cases	cases	cases	cases	cases	cases	cases	cases
Average									
1928-37	192.7	209.0	212.3	221.0	215.1	217.2	216.7	220.9	166.9
1938	151.8	178.8	198.1	193.1	152.0	170.5	183.8	176.4	143.4
1939	188.1	171.7	175.1	179.3	187.3				

Egg storage

Cold storage holdings of shell eggs on April 1 were 16 percent below last year and of frozen eggs were 37 percent below last year. However, the into-storage movement of eggs to be stored in frozen form has been well above last year throughout the present into-storage season. The into-storage movement of shell eggs was below last year until the week ended April 15 but has been above last year since that time.

Storage stocks of eggs at 26 markets

Year	Week ending as of 1939						
	Storage : stocks	Into-storage movement					Storage : stocks
	Mar. 25	April : 1	April : 8	April : 15	April : 22	April : 29	Apr. 29
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	cases	cases	cases	cases	cases	cases	cases
Shell:							
Average							
1928-37	497	269	368	441	491	524	2,590
1938	621	263	299	291	314	345	2,133
1939	431	215	266	360	419		
Frozen:							
1938	1,540	60	54	43	88	216	1,811
1939	850	92	93	110	102		

Egg prices

The farm price of eggs declined a half cent between March 15 and April 15. This was slightly less than the 1928-37 average decline between these two months but slightly greater than the decline which occurred last year. Prices on April 15 were almost a half cent below last year and almost 2 cents below the 1928-37 average for this date. Egg prices on the average remain about the same from April 15 to June 15, but last year they rose rapidly between April 15 and May 15 and continued to rise until November 15.

Price per dozen received by farmers for eggs

Year	: Jan. : 15	: Feb. : 15	: Mar. : 15	: Apr. : 15	: May : 15	: June : 15	: July : 15	: Sept. : 15	: Nov. : 15
	:Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average	:								
1928-37	....: 25.9	21.6	18.0	17.4	17.5	17.4	18.7	23.9	31.1
	:								
1937	....: 23.1	20.1	19.9	20.1	17.9	17.6	19.4	22.9	28.0
1938	....: 21.6	16.4	16.2	15.9	17.6	18.2	19.9	24.9	29.0
1939	....: 18.8	16.7	16.0	15.5					
	:								

Shift from a 1925-34 to a 1928-37 average for
comparison purposes

It has been decided to shift from a 1925-34 average for comparison purposes to a 10-year average ending 2 years prior to the current year. For 1939, this average includes the period 1928-37. This shift not only brings the comparison period more up to date and makes it agree with the average used in the Monthly Crop Report, but it also makes some allowance for an apparent change in the seasonal variation of the production and price of eggs.

This change in seasonal variation is most pronounced with respect to egg prices. While the 1928-37 average is only 1 cent per dozen below the 1925-34 average during March to June, it is 4 cents lower in November and 5 cents lower in December and January. The 1925-34 average shows a slight increase from November to December, but the 1928-37 average shows a 1-cent decrease.

This change in the seasonal variation of prices seems to be largely a result of changes in production. By earlier hatching and more scientific management, farmers have increased the production of eggs in the late fall and winter months. While the aggregate layings per 100 hens on the 1st day of the month from March to June during 1928-37 was less than one-half of 1 percent greater than in 1925-34, layings from November to January were 8 percent greater. Also, while the average number of hens per flock from March

to June during 1928-37 was 3 percent less than in 1925-34, the average number was only 2 percent less from November to January.

This change in seasonal production has caused a corresponding change in egg receipts. Average receipts at New York, as shown on the cover chart, were materially less from April through May 15 during 1928-37 than during 1925-34 and were somewhat larger from November through January.

Average peak storage holdings of shell eggs on August 1 during 1928-37 were 660,000 cases less than the August 1 average for 1925-34. However, these smaller holdings of shell eggs were just about offset by larger holdings of frozen eggs, so that total cold storage holdings of eggs were about the same in the two periods.

The change in seasonality was much less pronounced in poultry prices and receipts and may be largely accounted for by earlier hatchings. The April 15 peak in average farm chicken prices came a month earlier during 1928-37. There was a slight increase in average prices on September 15 during 1928-37 which may be due to improved quality at that time and the several important Jewish holidays that occur in September. Decreases in cold storage holdings of frozen poultry tended to level off a month or two earlier on the average, during 1928-37 than during 1925-34.