

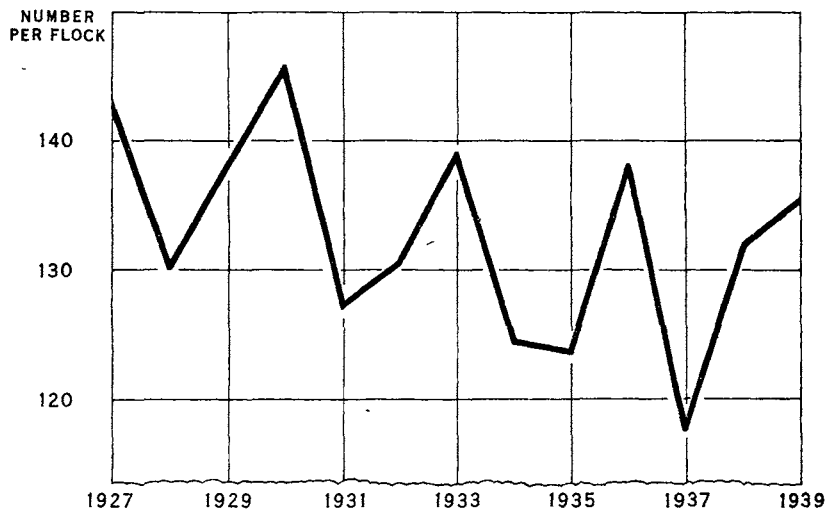
UNITED STATES DEPARTMENT OF AGRICULTURE
 BUREAU OF AGRICULTURAL ECONOMICS
 WASHINGTON

PE8-31

JULY 1, 1939

 THE POULTRY AND EGG SITUATION

CHICKS AND YOUNG CHICKENS PER FARM FLOCK
 ON JUNE 1, 1927-39

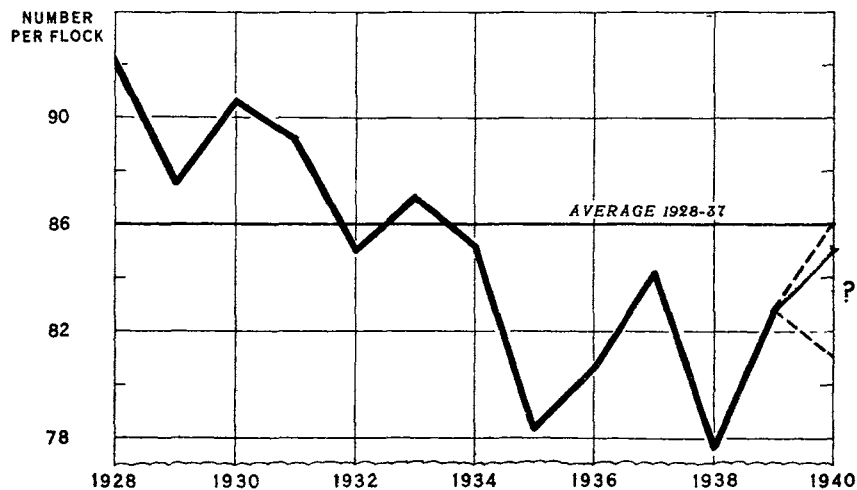


U. S. DEPARTMENT OF AGRICULTURE

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HENS AND PULLETS PER FARM FLOCK ON JANUARY 1, 1928-39



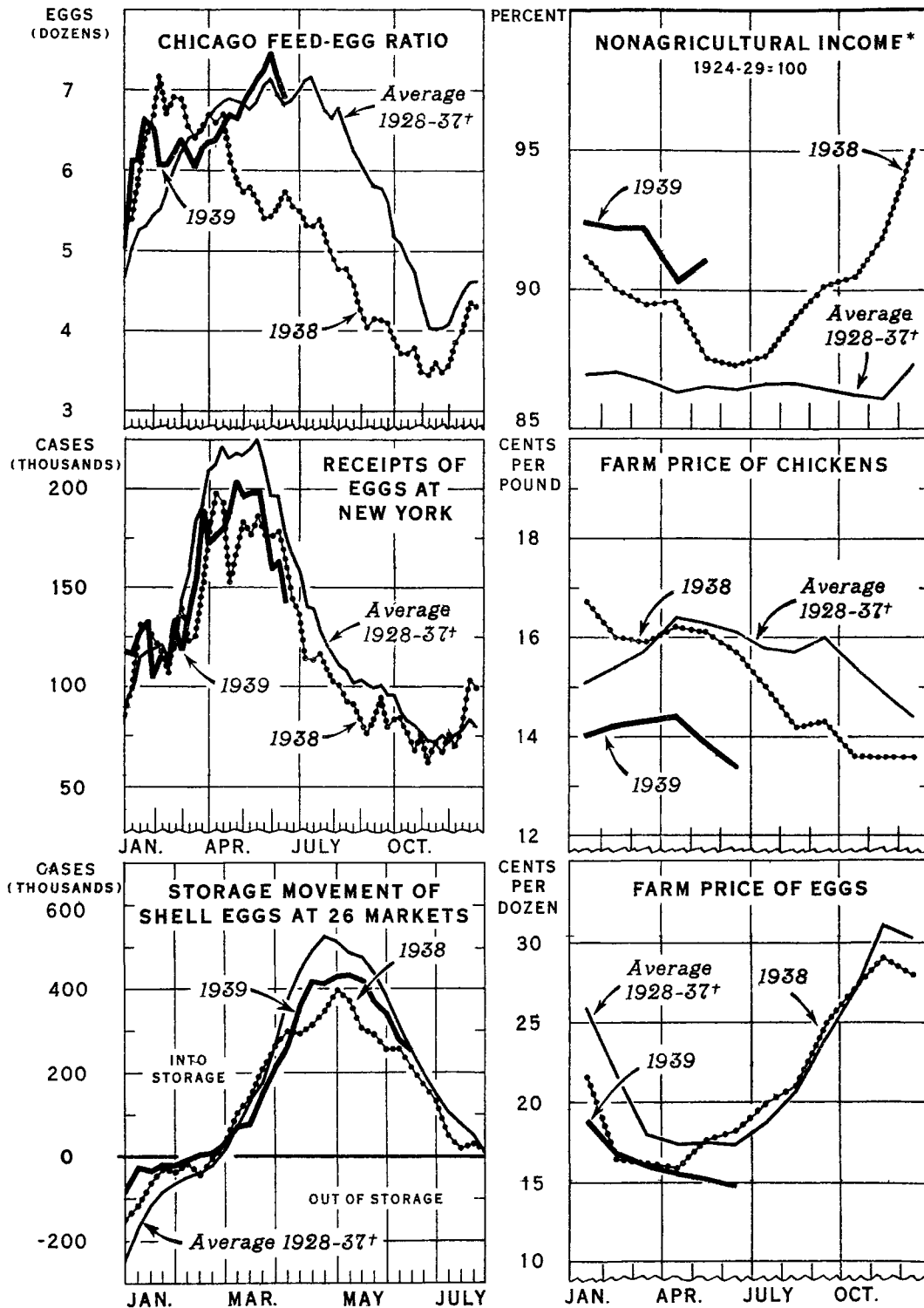
U. S. DEPARTMENT OF AGRICULTURE

NEG 35478

BUREAU OF AGRICULTURAL ECONOMICS

THE CHANGE IN THE NUMBER OF CHICKS AND YOUNG CHICKENS PER FARM FLOCK ON JUNE 1 GIVES AN INDICATION OF THE CHANGE IN THE NUMBER OF HENS AND PULLETS PER FARM FLOCK ON THE FOLLOWING JANUARY 1. THE PERCENTAGE CHANGE IN THE NUMBER OF HENS AND PULLETS, HOWEVER, IS GENERALLY LESS THAN THE PERCENTAGE CHANGE IN THE NUMBER OF CHICKS AND YOUNG CHICKENS. ON JUNE 1 THE NUMBER OF CHICKS AND YOUNG CHICKENS PER FARM FLOCK WAS 3 PERCENT ABOVE LAST YEAR. ON THE BASIS OF PAST EXPERIENCE, THE SIZE OF LAYING FLOCKS ON JANUARY 1, 1940, MAY BE LITTLE, IF ANY, LARGER THAN IN 1939.

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

FIGURE I

T H E P O U L T R Y A N D E G G S I T U A T I O N

Summary

The poultry and egg situation in June showed little improvement over previous months of this year, reports the Bureau of Agricultural Economics. Prices of eggs were at the lowest level since 1934 and prices of chickens were lower than at any time since the winter of 1937. The lower prices this year than last reflect chiefly larger seasonal marketings of chickens and eggs and larger storage stocks of these products. A recent supporting factor to egg prices has been the purchase of 250 cars of eggs by the Federal Surplus Commodities Corporation for relief distribution. The feed-egg price ratio continues much less favorable for farmers than a year earlier.

Receipts of eggs at the four markets - New York, Chicago, Philadelphia and Boston - have been declining seasonally but continue above last year. Since late May, combined storage holdings of shell and frozen eggs have been above last year. By August 1 holdings may be 5 to 10 percent larger than on that date last year.

The number of chickens from this year's hatchings in farm flocks on June 1 was about 3 percent larger than on that date in 1938 as compared with 5 percent above last year on May 1. On the basis of past relationships between changes in numbers of chickens on January 1 and changes in number of chicks and young chickens the preceding June 1, the size of laying flocks on January 1, 1940 may be little if any larger than in 1939.

Receipts of dressed poultry at New York during the 4 weeks ending June 24 were 25 percent larger than during the corresponding period last year. Storage stocks of frozen poultry on June 1 were 28 percent larger than in 1938. The heavy out-of-storage movement of poultry has probably

ended for this season. Because of the larger number of hens and chicks on farms and the increased hatchings of poultts compared with last year, market receipts of poultry probably will continue larger during the remainder of 1939 than in the same months of 1938.

Prices received by farmers for eggs declined 0.3 cents from May 15 to June 15. Prices on June 15 were over 3 cents per dozen below prices on that date last year and $2\frac{1}{2}$ cents below the 1928-37 average for June 15. Prices on June 15 this year were the **lowest** since 1934.

The farm price of chickens declined a half cent between May 15 and June 15. The price on June 15 was more than 2 cents per pound below last year and nearly 3 cents below the 1928-37 average for June 15. Prices on June 15 this year were the lowest since January 1937 and the lowest for June since 1934.

Feed situation

The feed-egg ratio (based on Chicago prices) declined considerably from June 3 to June 24. The ratio continued well above 1938 but was about the same as the 1928-37 average for corresponding weeks. During the 4 weeks ending June 24 the ratio was 27 percent above last year and 2 percent above the 10-year average. During the week ending June 24, about 1-1/5 dozen more eggs were required to purchase 100 pounds of poultry ration at Chicago than in the corresponding week last year.

Feed-egg ratio at Chicago												
(Dozens of eggs required to buy 100 pounds of poultry ration)												
Week ending as of 1939												
Year	:Mar.	:May	:May	:June	:June	:June	:June	:July	:July	:July	:Sept.	:Dec.
	: 25	: 20	: 27	: 3	: 10	: 17	: 24	: 1	: 8	: 15	: 30	: 30
	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.
Average :												
1928-37:	6.51	6.86	7.04	7.12	6.94	6.82	6.87	7.00	7.12	7.16	5.63	4.62
1938	: 6.56	5.61	5.41	5.44	5.57	5.73	5.56	5.50	5.33	5.31	4.10	4.31
1939	: 6.28	7.14	7.21	7.45	7.14	6.90	6.78					

Hatchings

The number of chickens from this year's hatchings in farm flocks on June 1 was about 3 percent larger than on that date in 1938 as compared with 5 percent more than last year on May 1. This increase is a reflection of the 22 percent increase over last year in salable chicks hatched by commercial hatcheries from January through May. Changes in numbers from June 1 to July 1 are usually relatively small.

Average number of chicks and young chickens per farm flock

Year	May 1	June 1	July 1
	<u>Number</u>	<u>Number</u>	<u>Number</u>
Average			
1928-37	87.4	131.5	134.9
1937	82.4	117.8	117.4
1938	94.5	131.7	132.6
1939	99.6	135.2	

Reports from commercial hatcheries showed an increase of 21 percent in the number of chicks hatched in May as compared with a year earlier. However, advance orders for chicks on June 1 were 10 percent smaller than a year earlier. This decrease reflected recent changes in the relation between feed prices and egg prices and the heavy purchases of chicks by buyers earlier in the season.

The early promise of a substantial increase in the number of poultts hatched by commercial hatcheries this season is being confirmed. Forty-eight percent more poultts were hatched this May than last and 49 percent more eggs were set. The number of turkeys raised this year may be the largest on record.

Poultry marketings

Receipts of dressed poultry at New York have been increasing seasonally. During the 4 weeks ending June 24, receipts were 25 percent larger than in the corresponding weeks of 1938 and 40 percent above the 1928-37 average. Receipts during the remainder of 1939 probably will continue larger than in the same months of 1938. This is indicated by the larger number of hens and chicks on farms and the increased hatchings of poultts this year than last.

Receipts of dressed poultry at New York

Year	Week ending as of 1939								
	May : 20	May : 27	June : 3	June : 10	June : 17	June : 24	July : 1	July : 8	Aug. : 26
	: 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	2,710	2,745	2,835	3,009	3,287	3,345	3,443	3,097	3,443
1938	3,087	3,819	3,072	3,781	3,623	3,560	3,990	3,233	3,386
1939	3,805	3,995	3,640	4,805	4,447	4,611			

Poultry storage

Storage stocks of frozen poultry have apparently reached about the lowest level for this season. Market supplies of fresh killed poultry are sufficiently

large to supply the current demand. Within another month or two excess supplies will begin to move into storage. United States storage stocks on June 1 were 28 percent above stocks a year earlier but 19 percent below the record high stocks on June 1, 1937.

Storage stocks of frozen poultry at 26 markets

Year	Week ending as of 1939					
	Storage stocks : May 27	Storage movement				Storage stocks : June 24
	June 3	June 10	June 17	June 24	June 24	
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
Average						
1928-37	38,279	- 1,521	- 1,328	- 576	- 111	34,743
1937	60,293	- 1,224	- 2,237	- 639	- 862	55,331
1938	36,935	- 575	+ 440	+ 20	+ 303	37,123
1939	47,572	+ 327	+ 668	- 42	+ 506	49,031

Chicken prices

The farm price of chickens declined a half-cent between May 15 and June 15. This was considerably more than the usual seasonal decline and slightly more than the decline last year. The June 15 price was more than 2 cents per pound below last year and nearly 3 cents below the 1928-37 average for June 15.

Price per pound received by farmers
for chickens

Year	Jan. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Aug. 15	Sept. 15	Nov. 15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average									
1928-37	15.1	15.7	16.4	16.3	16.1	15.8	15.7	16.0	14.9
1937	13.4	14.4	15.2	14.8	14.8	15.3	16.8	17.4	16.9
1938	16.7	15.9	16.2	16.1	15.7	15.0	14.2	14.3	13.6
1939	14.0	14.3	14.4	13.9	13.4				

Domestic demand

Recent developments have given further indications of moderate improvement this summer and fall in industrial activity and consumer incomes. No marked changes are expected, however, and the general business situation and demand for farm products probably will continue relatively stable throughout the year.

It appears probable that no marked changes in business activity, such as occurred in opposite directions in 1936-37 and in 1937-38, will be repeated in 1939 and 1940. It is true that business activity in the past generally has been characterized by wide fluctuations rather than stability. There have been, nevertheless, some rather extended periods of relatively stable conditions, and it is not at all improbable that changes in industrial activity during the next year or more will be less marked than those which have occurred in most years since 1929.

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

Year	Feb.	Mar.	Apr.	May	June	July	Aug.	Oct.	Dec.
Average	:	:	:	:	:	:	:	:	:
1928-37	87.0	86.7	86.3	86.5	86.4	86.6	86.6	86.2	87.3
1937	93.7	94.8	95.7	96.8	96.8	97.9	98.2	96.4	98.4
1938	90.0	89.5	89.6	87.5	87.3	87.6	89.0	90.5	95.0
1939	92.2	92.2	90.4	<u>91.1</u>					

1/ Preliminary.

Laying flock size

The seasonal decline in the number of hens and pullets of laying age in farm flocks this year has been about average. The number of layers per farm flock on June 1 was 5 percent above a year ago but 4 percent below the 1928-37 average for June 1.

The number of layers per farm flock generally reaches a peak about the beginning of the year. The chart on the cover page shows how the number on January 1 has varied since 1928. The dotted lines indicate the range within which the number of hens per flock on January 1, 1940 may fall if past relationships continue.

This range is based on figure 2, which shows the relationship between changes in numbers of hens and pullets in farm flocks on January 1 and numbers of chicks and young chickens on the preceding June 1. In years when the number of chicks on farms increases, the number of hens and pullets on the following January usually also increases but by a smaller proportional amount. Changes in the feed-egg ratio from July to December also affect the number of chicks which are kept for laying flocks. Changes in this and other factors keep the relationship between chicks and hens from being exactly uniform from year to year.

HENS AND PULLETS PER FARM FLOCK, JANUARY 1, AND CHICKS AND YOUNG CHICKENS ON THE PRECEDING JUNE 1

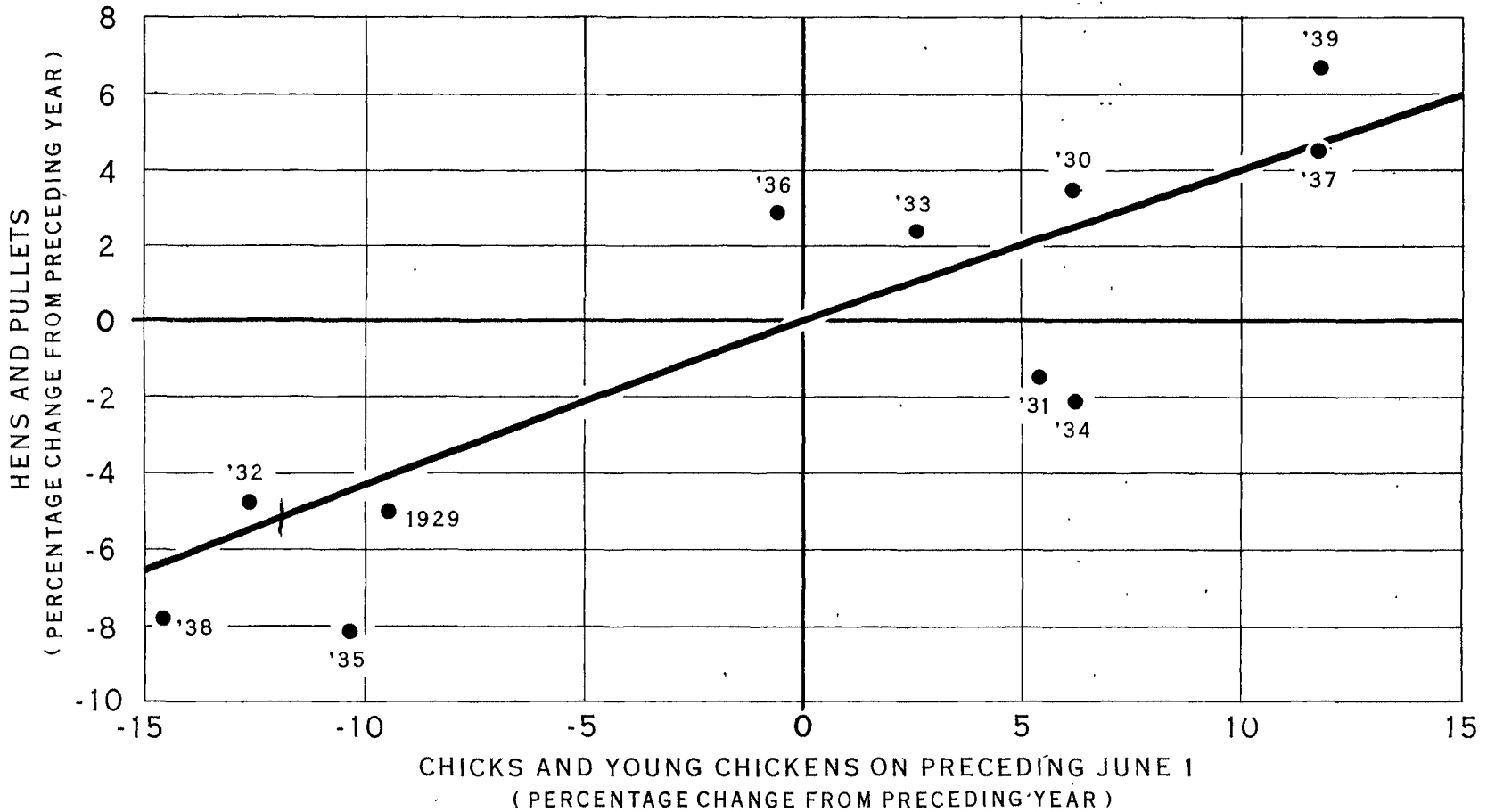


FIGURE 2

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

Year	Mar.	Apr.	May	June	July	Aug.	Sept.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37	82.3	79.7	75.1	70.9	66.8	64.2	63.5	79.8
1937	80.0	77.5	73.1	68.5	63.6	62.1	59.9	74.4
1938	75.8	73.8	68.6	65.0	61.6	59.3	59.8	78.0
1939	79.8	76.8	72.2	68.3				

Egg production

The average number of eggs laid per 100 hens continues high. Although the rate of lay on June 1 this year was not quite equal to the rate in either of the past 2 years, it exceeded the June 1 figure for any other of the 15 years of record and was 4 percent above the 1928-37 June 1 average.

Total egg production per farm flock on June 1 was 3.5 percent above that of last year and was about equal to the 10-year average for that date.

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

Year	Mar.	Apr.	May	June	July	Aug.	Sept.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37	37.7	53.0	55.5	50.1	42.8	37.1	32.7	15.2
1937	39.2	52.8	57.8	52.5	44.4	40.4	36.1	18.6
1938	42.2	57.9	58.1	52.9	46.5	41.2	35.3	19.9
1939	41.4	56.3	57.6	52.1				

Egg marketings

Receipts of eggs at both New York and the 4 markets combined have been declining seasonally. However, receipts at New York during the 4 weeks ending June 24 were 9 percent below receipts a year ago, while receipts at the 4 markets combined were 7 percent above receipts a year ago.

Receipts of eggs at New York

Year	Week ending as of 1939									
	May : 20	May : 27	June : 3	June : 10	June : 17	June : 24	July : 1	July : 8	Aug. 26	
	1,000	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	cases
Average										
1928-37	224.9	213.7	197.3	197.0	178.5	166.9	157.1	140.8	102.1	
1938	186.1	176.7	176.3	178.8	163.9	143.4	136.8	113.8	91.2	
1939	198.1	181.8	158.3	163.6	142.8	138.9				

Egg storage 1/

Cold storage holdings of shell eggs in the United States on June 1 were 15 percent larger than a year earlier but holdings of frozen eggs were 10 percent smaller. Combined holdings of shell and frozen eggs were 5 percent larger than a year earlier. Through June 17 into-storage movement at 26 cities continued above last year for both shell and frozen eggs.

On the basis of past relationships, it appears that United States storage stocks of shell and frozen eggs combined on August 1 may be from 5 to 10 percent larger than on that date last year.

Storage stocks of eggs at 26 markets

Year	Week ending as of 1939					
	Storage : stocks : May 27	Into-storage movement				Storage : stocks : June 24
	1,000	June : 3	June : 10	June : 17	June : 24	1,000
	cases	cases	cases	cases	cases	cases
<u>Shell:</u>						
Average						
1928-37	4,502	382	311	252	199	5,646
1938	3,495	253	255	213	170	4,386
1939	3,760	338	279	249	156	4,782
<u>Frozen:</u>						
1938	2,012	45	63	73	52	2,245
1939	1,834	102	112	117	109	2,274

1/ Correction - The last line of the first paragraph under "Egg storage" in the June 1 Poultry and Egg Situation should read, "As a result, storage holdings of shell eggs at these markets on May 27 were 8 percent above last year and of frozen eggs only 9 percent below last year. Combined holdings of shell and frozen eggs were 2 percent larger than a year earlier."

Egg prices

The farm price of eggs declined 0.3 cents from May 15 to June 15. Last year the price increased 0.6 cents while on the average prices show little change between these two dates. Prices on June 15 were over 3 cents per dozen below prices on that date last year and 2½ cents below the 1928-37 average for June 15.

Price per dozen received by farmers for eggs

Year	Jan. : : 15	Mar. : : 15	Apr. : : 15	May : : 15	June : : 15	July : : 15	Aug. : : 15	Sept. : : 15	Nov. : : 15
	Gents	Gents	Gents	Gents	Gents	Gents	Gents	Gents	Gents
Average									
1928-37	25.9	18.0	17.4	17.5	17.4	18.7	20.6	23.9	31.1
1937	23.1	19.9	20.1	17.9	17.6	19.4	20.4	22.9	28.0
1938	21.6	16.2	15.9	17.6	18.2	19.9	21.0	24.9	29.0
1939	18.8	16.0	15.5	15.2	14.9				