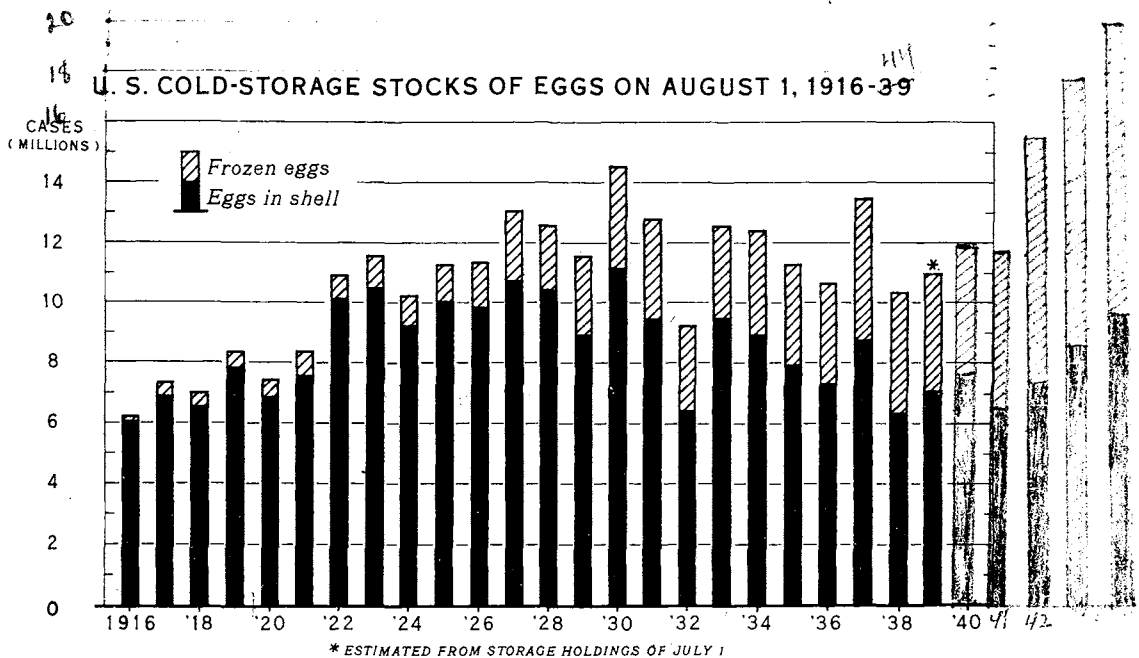


UNITED STATES DEPARTMENT OF AGRICULTURE
 BUREAU OF AGRICULTURAL ECONOMICS
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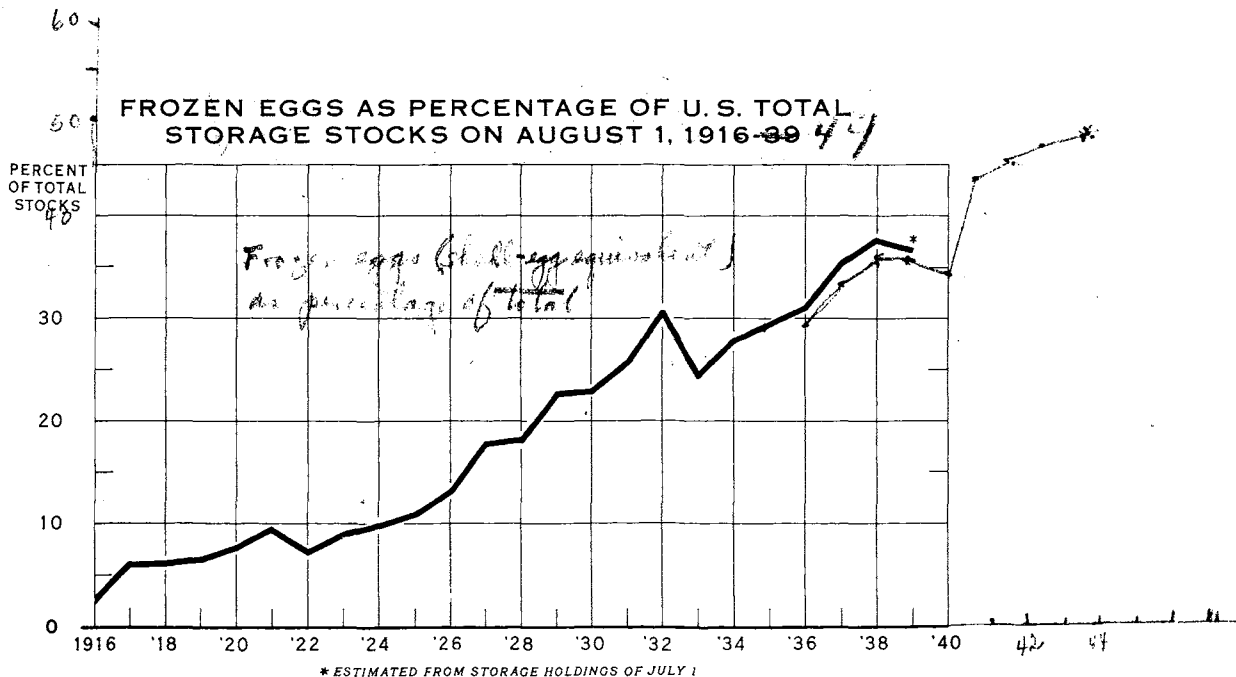
THE POULTRY AND EGG SITUATION



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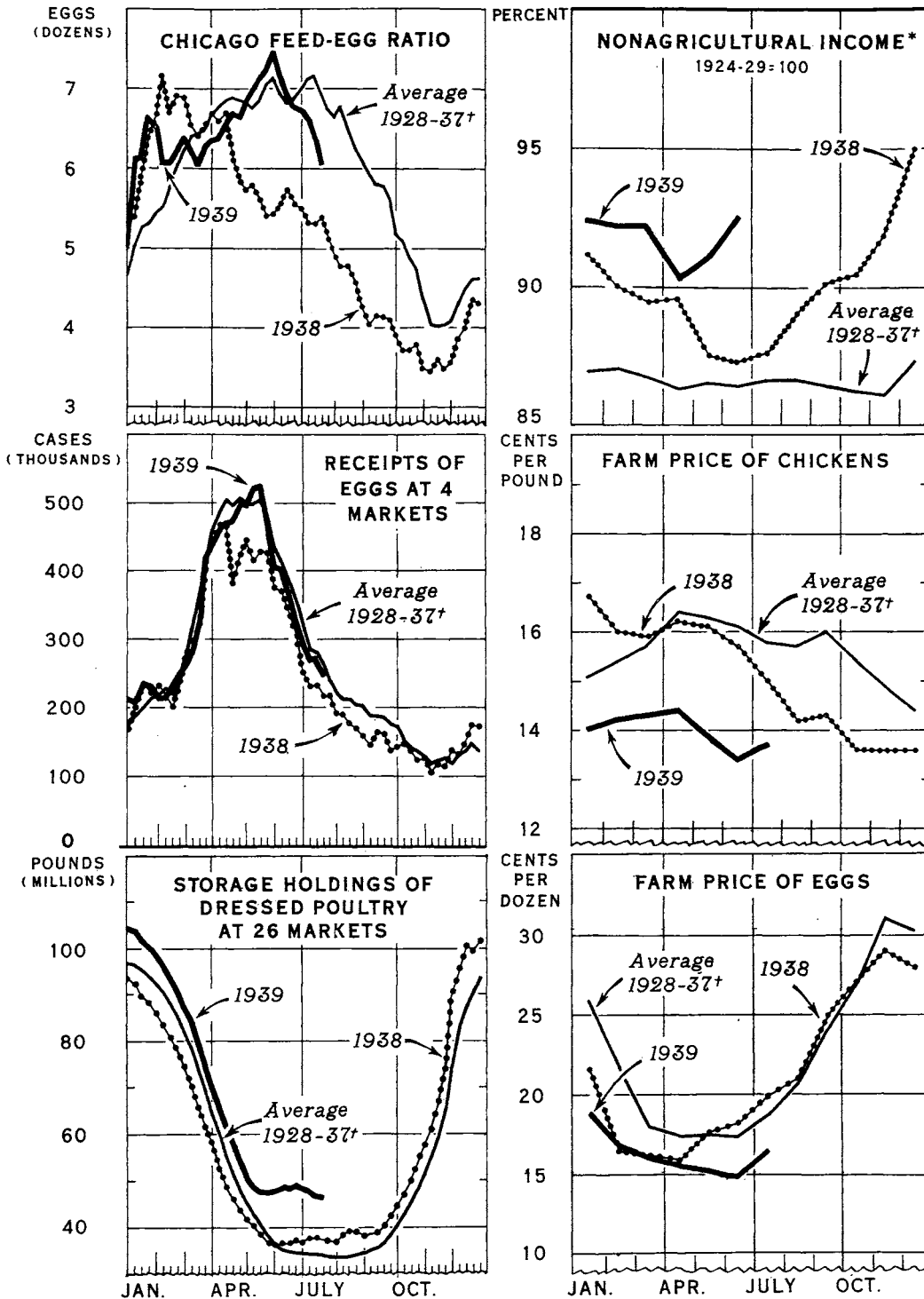


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THE POULTRY AND EGG SITUATION AT A GLANCE



*AVERAGE FOR 1928-37 (INSTEAD OF FOR 1926-34, AS FORMERLY SHOWN FOR PURPOSES OF COMPARISON)

*INDEX NUMBERS, ADJUSTED FOR SEASONAL VARIATION

FIGURE I

THE POULTRY AND EGG SITUATION

Summary

Between June 15 and July 15 prices received by farmers for eggs began their usual seasonal rise, reports the Bureau of Agricultural Economics in the current issue of the Poultry and Egg Situation. The cent-and-a-half increase was about the same as the increase between these two dates for both last year and the 1928-37 average. Egg prices on July 15, however, were about $3\frac{1}{2}$ cents below last year and more than 2 cents below the 10-year average for that date.

The feed-egg ratio (based on Chicago prices) continues less favorable to farmers than last year but more favorable than the 1928-37 average.

Storage stocks are an important source of egg supplies for the large cities during the second half of the year. On August 1 these stocks will probably be about 7 percent larger than last year. Current receipts during this period may be slightly larger than last year, since laying flocks are now about 4 percent larger than last year, and the number of pullets may be up slightly.

Prices received by farmers for chickens on July 15 were 0.3 cents per pound higher than on June 15. Last year prices declined 0.7 cents between these two dates. On July 15 chicken prices were over 1 cent below last year and about 2 cents below the 1928-37 average.

The number of young chickens per farm flock on hand July 1 was 2.6 percent larger than a year earlier. A substantial increase in turkey numbers of perhaps 30 percent over 1938 is indicated. Larger laying flocks are to be culled. It appears, therefore, that market receipts of poultry

during the remainder of 1939 and early 1940 will continue larger than in the corresponding weeks of the 1938-39 marketing season.

Feed situation

Since June 3 the relationship between feed prices and egg prices (at Chicago) has become more favorable to farmers, largely as a result of declining feed costs. This is in line with the usual seasonal change. The ratio continues above the 1938 level but since June 24 has been below the 1928-37 average. During the 4 weeks ending July 22 the ratio averaged 19 percent above the same weeks in 1938 but 9 percent below the 10-year average.

Feed-egg ratio at Chicago

(Dozens of eggs required to buy 100 pounds of poultry ration)												
: _____ Week ending as of 1939												
Year	: Jan.:	: Apr.:	: June:	: July:	: July:	: July:	: July:	: July:	: Aug.:	: Aug.:	: Aug.:	: Oct.
	: 28 :	: 29 :	: 24 :	: 1 :	: 8 :	: 15 :	: 22 :	: 29 :	: 5 :	: 12 :	: 19 :	: 28 :
	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.	: Doz.
Average	:	:	:	:	:	:	:	:	:	:	:	:
1928-37	: 5.32	: 6.86	: 6.87	: 7.00	: 7.12	: 7.16	: 6.94	: 6.75	: 6.65	: 6.76	: 6.53	: 4.72
1938	: 6.39	: 5.85	: 5.56	: 5.50	: 5.33	: 5.31	: 5.40	: 5.12	: 4.98	: 4.78	: 4.87	: 3.79
1939	: 6.65	: 6.65	: 6.78	: 6.71	: 6.61	: 6.37	: 6.05	:	:	:	:	:

Young chickens on hand

The number of young chickens per farm flock on hand July 1 was 2.6 percent larger than a year earlier. This number is important because it affects the size of next year's laying flock and hence egg production and egg prices, and also the supply and prices of poultry marketed in the fall. The percentage change in the size of laying flocks on January 1 is usually smaller than the change in the number of young chickens on hand the preceding July 1.

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	: 136.0

Turkeys

For the first time crop reporters have been asked to report the number of turkey poults in their own flocks on July 1. Since this is the first inquiry on holdings of poults, there are no comparable figures for past years. Some indication of the change in numbers may be gained, however, from comparisons with an inquiry on numbers of turkeys on hand in September 1938. This comparison points to a substantial increase in turkey numbers, perhaps 30 percent above last year.

The above comparison can be used only as an indication of an increase in turkeys in ordinary farm flocks. The returns do not include a proper representation of large commercial flocks. For many years the number of such small farm flocks has been decreasing. This decrease appears, from the present returns, to have continued in most sections, but the average number of turkeys in the remaining farm flocks is increasing.

Poultry marketings

During the 4 weeks ending July 22, receipts of dressed poultry at the 4 principal markets were 20 percent larger than in the corresponding weeks of 1938 and 22 percent above the 1928-37 average. Receipts during the remainder of 1939 and early 1940 will probably continue larger than in the corresponding weeks of the 1938-39 marketing season because of the larger number of hens and young chickens on hand and the prospective large increase in turkey production.

(Data on receipts at New York, Chicago, Philadelphia and Boston combined have been substituted for data on receipts at New York alone since it is believed that receipts at the 4 markets are more representative of receipts throughout the United States. A table will be found on the last page of this report giving weekly data on receipts at the 4 markets for 1938, 1939 and the 1928-37 average.)

Receipts of dressed poultry at 4 markets
(New York, Chicago, Philadelphia, Boston)

Year	Week ending as of 1939									
	June : 24	July : 1	July : 8	July : 15	July : 22	July : 29	Aug. : 5	Aug. : 12	Sept. : 30	
	: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	1928-37:5,039	5,195	4,814	4,704	4,787	4,627	4,707	4,798	6,351	
	1938	:5,240	5,349	4,678	5,304	4,506	5,405	5,656	5,989	6,981
	1939	:6,515	6,139	5,357	6,300	5,942				

Poultry storage

Storage stocks of frozen poultry are now near their low point for the year. By September the net into-storage movement will be well underway. United States storage stocks on July 1 were 26 percent above stocks a year earlier but 13 percent below the record high stocks on July 1, 1937. The larger total stocks this year than last are chiefly a result of increased stocks of turkeys, fowls and broilers.

Storage stocks of frozen poultry at 26 markets

Year	Week ending as of 1939					Storage stocks July 29
	Storage stocks July 1	Out-of-storage movement				
		July 8	July 15	July 22	July 29	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average						
1928-37	34,530	102	120	203	191	33,914
1937	54,971	406	353	1,574	1,506	51,132
1938	37,014	1/ 679	5	414	177	37,097
1939	48,248	430	1,079	282		

1/ Into-storage.

Chicken prices

In contrast to the 0.7 cents per pound decline which occurred last year, prices received by farmers for chickens increased 0.3 cents this year between June 15 and July 15. On the average, prices decline slightly between these two dates. On July 15 chicken prices were over 1 cent below last year and about 2 cents below the 1928-37 average. Prices were the lowest for the month since 1934.

Price per pound received by farmers for chickens

Year	Feb. 15	Apr. 15	May 15	June 15	July 15	Aug. 15	Sept. 15	Oct. 15	Dec.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average									
1928-37	15.4	16.4	16.3	16.1	15.8	15.7	16.0	15.4	14.4
1937	13.6	15.2	14.8	14.8	15.3	16.8	17.4	17.6	16.4
1938	16.0	16.2	16.1	15.7	15.0	14.2	14.3	13.6	13.6
1939	14.2	14.4	13.9	13.4	13.7				

Domestic demand

Conditions affecting the consumer demand for farm products have improved since the middle of May. Industrial production has recovered sharply from the low reached in April and early May. Some additional improvement during the remainder of the year is indicated by conditions in the important industries. These changes in business activity and consumer purchasing power probably will not be great, however, and prospects continue for relatively stable domestic demand conditions during 1939.

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

Year	Jan.	Mar.	Apr.	May	June	July	Aug.	Sept.	Nov.
Average									
1928-37	86.9	86.7	86.3	86.5	86.4	86.6	86.6	86.4	86.1
1937	92.6	94.8	95.7	96.8	96.8	97.9	98.2	96.9	94.6
1938	91.2	89.5	89.6	87.5	87.3	87.6	89.0	90.1	91.9
1939	92.4	92.2	90.4	91.1	1/92.6				

1/ Preliminary.

Laying flock size

The size of the laying flock usually declines by about 25 percent from January 1 to September 1. The decline to July 1 this year has been 22.6 percent, which is about the same as the 1928-37 average decline for this period.

The number of layers per farm flock on July 1 was 4 percent larger than on the same date last year but 4 percent smaller than the 10-year average. On the basis of the change in the number of young chickens per farm flock on July 1, it appears that the number of hens in farm flocks on January 1, 1940, may be little, if any, larger than on January 1, 1939.

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

Year	Jan.	Apr.	May	June	July	Aug.	Sept.	Oct.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37	86.0	79.7	75.1	70.9	66.8	64.2	63.5	68.6
1937	84.2	77.5	73.1	68.5	63.6	62.1	59.9	64.3
1938	77.6	73.8	68.6	65.0	61.6	59.3	59.8	65.6
1939	82.8	76.8	72.2	68.5	64.1			

Egg production

The average number of eggs laid per 100 hens continues high. Although the rate of lay on July 1 this year was not quite equal to the rate in the past year, it exceeded the July 1 figure for any other of the 15 years of record and was 7 percent above the 1928-37 July 1 average.

Total egg production per farm flock on July 1 was 2 percent above both last year and the 10-year average for that date. Because of the larger number of hens on hand, production during the fall of 1939 may continue slightly larger than last year.

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

Year	Jan.	Apr.	May	June	July	Aug.	Sept.	Oct.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37	17.9	53.0	55.5	50.1	42.8	37.1	32.7	25.5
1937	22.0	52.8	57.8	52.5	44.4	40.4	36.1	28.8
1938	22.7	57.9	58.1	52.9	46.5	41.2	35.3	28.2
1939	24.6	56.3	57.6	52.4	45.9			

Egg marketings

Receipts of eggs at the four principal markets combined are declining from the seasonal peak reached in May. For the 4 weeks ending July 22, receipts were 15 percent above receipts a year ago but 6 percent below the 1928-37 average for these weeks.

(Data on receipts at New York, Chicago, Philadelphia and Boston combined have been substituted for data on receipts at New York alone since it is believed that receipts at the four markets are more representative of receipts throughout the United States. A table will be found on the last page of this report giving weekly data on receipts at the four markets for 1938, 1939 and the 1928-37 average.)

Receipts of eggs at four markets (New York, Chicago, Philadelphia, Boston)

Year	Week ending as of 1939								
	June 24	July 1	July 8	July 15	July 22	July 29	Aug. 5	Aug. 12	Sept. 30
	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases
Average									
1928-37	351.4	324.7	284.7	281.1	262.8	236.9	220.3	210.2	175.1
1938	303.9	260.8	229.5	231.9	216.8	215.4	190.6	189.0	136.0
1939	318.5	291.3	269.3	273.5	245.8				

Egg storage

The number of eggs in cold storage on August 1 is an important factor affecting fall and early winter egg prices. Stocks this year will be above those on August 1 in 1938 but below the 1928-37 average stocks.

Cold storage holdings of shell eggs in the United States on July 1 were 11 percent larger than a year earlier and of frozen eggs were 1 percent larger. Combined holdings of shell and frozen eggs were 8 percent above 1938.

Storage stocks of eggs at 26 markets

Year	Week ending as of 1939					
	Storage stocks July 1	Into-storage movement				Storage stocks July 29
		July 8	July 15	July 22	July 29	
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>
<u>Shell</u>						
Average						
1928-37	5,793	103	71	49	12	6,028
1938	4,516	49	20	31	14	4,630
1939	4,868	56	16	2		
<u>Frozen</u>						
1938	2,241	23	37	1/ 11	1/ 30	2,260
1939	2,345	52	44	13		

1/ Out-of-storage.

Egg prices

Prices received by farmers for eggs increased 1.6 cents per dozen between June 15 and July 15. This is about the same as last year and as the usual seasonal increase between these two dates. Egg prices on July 15 were about 3½ cents below last year and over 2 cents below the 1928-37 average for that date. Prices this year were the lowest for the month since 1934.

Price per dozen received by farmers for eggs

Year	Feb. 15	Apr. 15	May 15	June 15	July 15	Aug. 15	Sept. 15	Oct. 15	Dec. 15
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Average									
1928-37	21.6	17.4	17.5	17.4	18.7	20.6	23.9	27.0	30.3
1937	20.1	20.1	17.9	17.6	19.4	20.4	22.9	25.2	26.0
1938	16.4	15.9	17.6	18.2	19.9	21.0	24.9	27.1	27.9
1939	16.7	15.5	15.2	14.9	16.5				

Receipts of dressed poultry and eggs at 4 markets

Week number	Dressed poultry			Eggs		
	Av. 1928-37	1938	1939	Av. 1928-37	1938	1939
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 cases	1,000 cases	1,000 cases
1	6,974	4,187	4,159	175.8	168.5	211.5
2	5,699	3,655	4,418	187.2	198.5	206.8
3	5,415	4,228	5,380	200.4	231.8	235.5
4	6,252	3,814	6,020	212.2	220.1	229.2
5	6,112	4,050	4,657	218.4	231.6	212.6
6	5,258	3,106	4,186	229.8	215.9	212.9
7	4,648	3,191	3,685	218.5	200.2	232.8
8	4,231	3,278	3,585	246.1	239.2	247.8
9	4,094	2,686	4,066	284.6	281.8	264.4
10	4,012	2,243	3,528	317.6	297.4	285.7
11	3,988	2,613	3,937	367.2	320.9	330.3
12	3,631	2,541	4,308	405.5	412.1	418.8
13	3,545	3,552	3,868	458.2	449.5	437.0
14	3,634	2,747	3,730	485.4	466.9	460.4
15	3,453	3,407	3,480	505.0	464.4	468.9
16	3,638	2,536	3,759	495.2	381.7	473.5
17	3,766	3,117	3,640	507.4	422.9	501.6
18	4,185	3,848	4,688	499.1	444.5	498.7
19	4,152	4,129	5,672	498.0	414.9	521.1
20	4,224	4,145	5,600	502.1	426.8	521.5
21	4,269	5,341	5,749	483.9	424.9	474.9
22	4,250	4,389	5,668	433.2	374.8	404.2
23	4,497	5,174	6,823	411.8	369.3	401.2
24	5,041	5,054	6,436	380.7	332.5	357.5
25	5,039	5,240	6,515	351.4	303.9	318.5
26	5,195	5,349	6,139	324.7	260.8	291.3
27	4,814	4,678	5,357	284.7	229.5	269.3
28	4,704	5,304	6,300	281.1	231.9	273.5
29	4,787	4,506	5,942	262.8	216.8	245.8
30	4,627	5,405		236.9	215.4	
31	4,707	5,656		220.3	190.6	
32	4,798	5,989		210.2	189.0	
33	5,130	4,567		211.4	176.3	
34	5,153	4,684		202.6	168.9	
35	5,437	5,005		201.6	158.4	
36	5,332	5,382		188.8	144.8	
37	5,662	5,972		187.5	163.7	
38	6,161	6,668		186.4	160.9	
39	6,351	6,981		175.1	136.0	
40	6,733	7,676		172.1	142.5	
41	6,980	8,050		152.6	145.1	
42	7,366	8,558		140.3	135.4	
43	7,479	8,817		136.6	123.1	
44	7,597	8,855		126.8	125.6	
45	8,485	9,515		118.9	104.3	
46	12,841	33,364		122.9	116.8	
47	28,385	17,101		125.8	113.9	
48	15,627	8,596		116.7	136.8	
49	9,754	10,217		130.8	130.9	
50	14,101	24,618		134.8	145.0	
51	27,487	17,291		146.0	173.9	
52	11,942	6,835		134.1	171.1	