

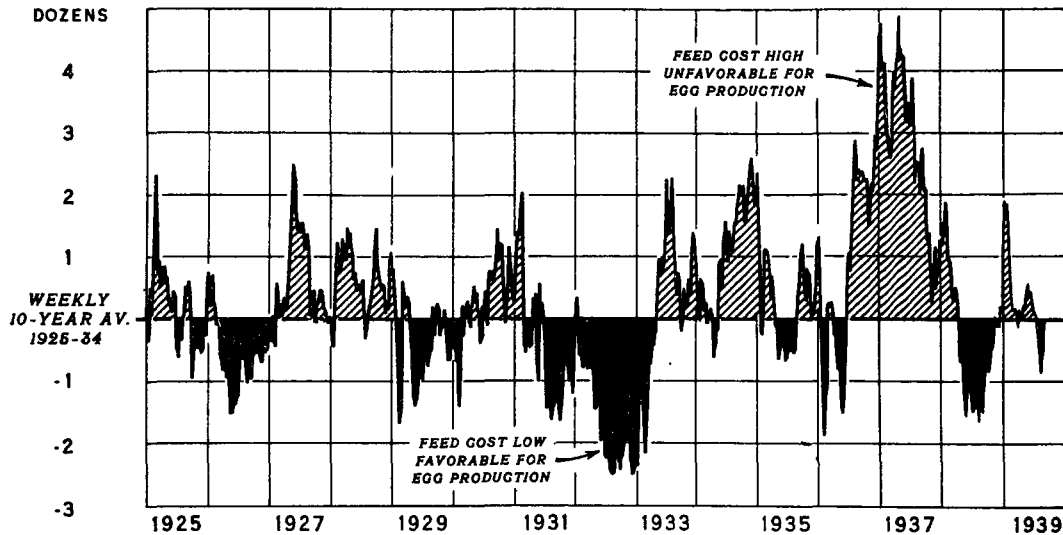
UNITED STATES DEPARTMENT OF AGRICULTURE  
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THE POULTRY AND EGG SITUATION

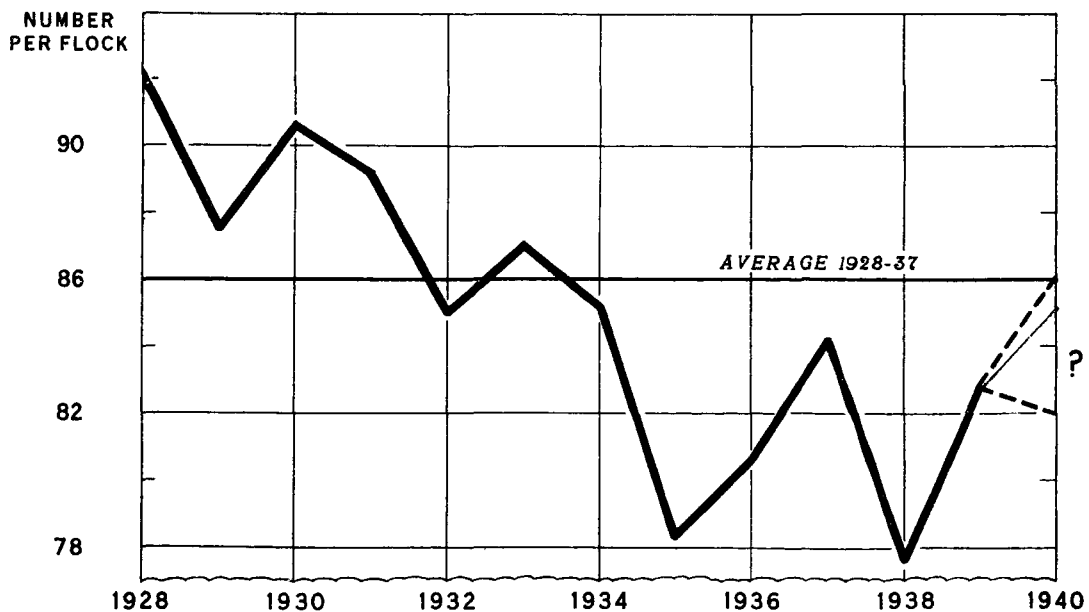
FEED-EGG RATIO AT CHICAGO, 1925 TO DATE



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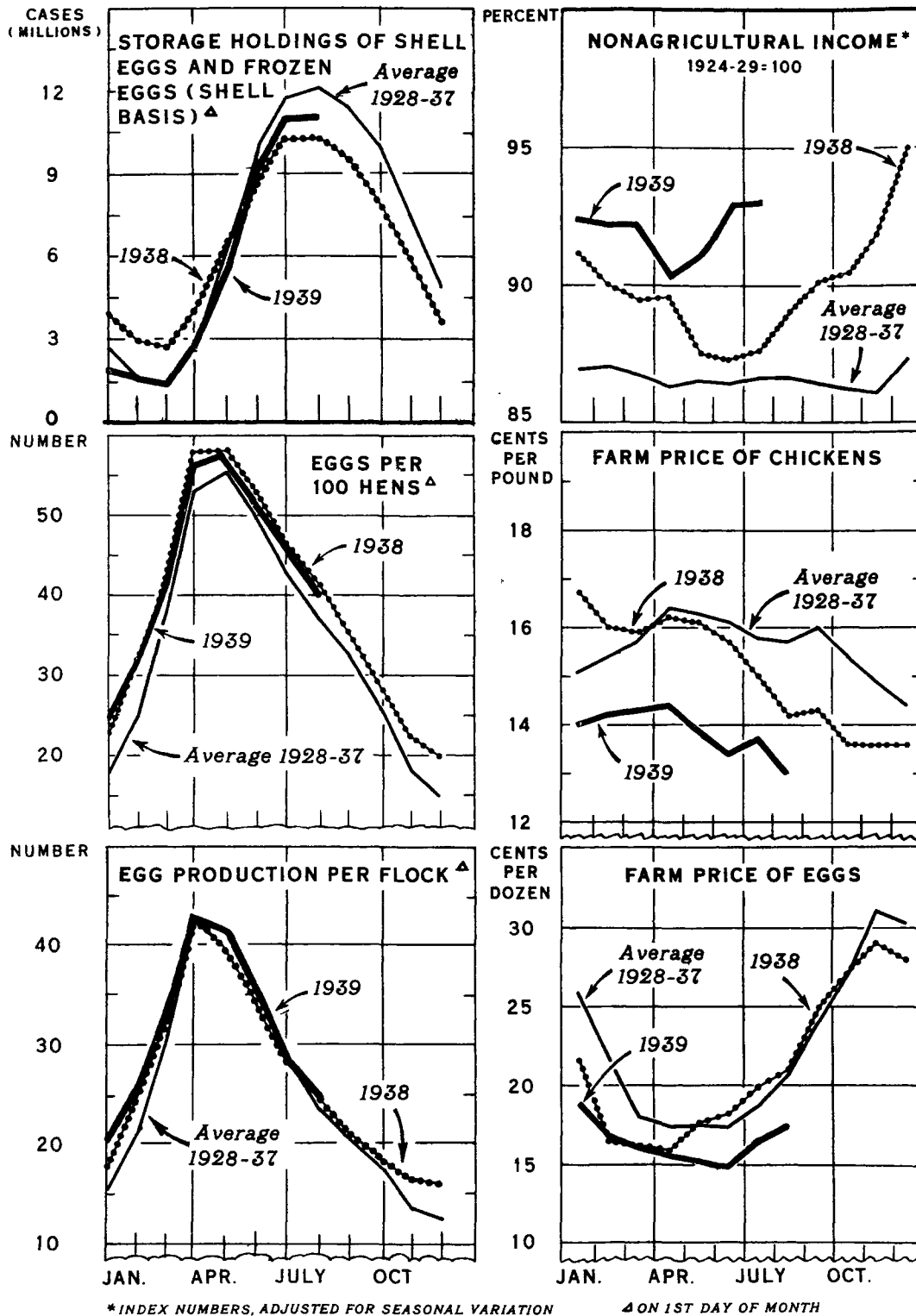
HENS AND PULLETS PER FARM FLOCK ON JANUARY 1, 1928-39



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# THE POULTRY AND EGG SITUATION AT A GLANCE



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FIGURE 1

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THE POULTRY AND EGG SITUATION  
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Summary

Larger supplies of poultry and eggs than last year continue to feature the poultry and egg situation, according to the Bureau of Agricultural Economics.

Market receipts of dressed poultry in August were 9 percent above last year. 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 laying flocks to be culled, the increased number of young chickens on hand, and the large increase in turkey production. United States storage stocks of poultry, now close to the low point for the year, were 24 percent larger on August 1 than last year. Because of the expected larger marketings of poultry this fall, it is likely that storage stocks by January 1, 1940 will also exceed those of a year earlier.

The number of eggs in cold storage on August 1 is an important factor affecting fall and early winter egg prices. Combined holdings of shell and frozen eggs on August 1 this year were 8 percent above last year but 9 percent below the 1928-37 average. Egg production during the fall of 1939 will probably continue about the same or slightly larger than last year.

The ratio between feed prices and egg prices in August continued slightly more favorable to egg producers than the 1928-37 average but less favorable than in the same period last year. On the basis of the August 1 Crop Report, it appears that relative feed costs may continue less favorable than last year but more favorable than the 10-year average. The effect on winter egg production of larger hatchings this year than last and larger numbers of

hens now on farms may be partly offset by increased marketings of hens and pullets between now and the end of the year, as a result of the less favorable relationship between feed and egg prices. Laying flocks on January 1, 1940, therefore, may be only a few percent larger than this year.

Chicken and egg prices received by farmers are following their usual seasonal changes. Egg prices increased 1 cent per dozen between July 15 and August 15 while chicken prices declined 0.7 cents per pound. However, prices continue well below last year and are the lowest for August 15 since 1934. The effect on prices of larger supplies is being partly offset by increased consumer incomes.

Feed situation

The feed situation in August, as indicated by the Chicago feed-egg ratio, continued slightly more favorable to egg producers than the 1928-37 average but less favorable than in the same period last year. During August the ratio averaged 7 percent below the 10-year average but 27 percent above 1938 levels. The feed-egg ratio usually becomes more favorable from August through November because of increasing egg prices and declining feed costs.

Feed-egg ratio at Chicago  
(Dozens of eggs required to buy 100 pounds of poultry ration)

Year	Week ending as of 1939											
	Feb.: 25	May : 27	July: 22	July: 29	Aug.: 5	Aug.: 12	Aug.: 19	Aug.: 26	Sept.: 2	Sept.: 9	Sept.: 16	Nov.: 25
	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.	:Doz.
Average :												
1928-37:	6.01	7.04	6.94	6.75	6.65	6.76	6.53	6.26	6.06	5.94	5.81	4.04
1938	6.92	5.41	5.40	5.12	4.98	4.78	4.87	4.57	4.26	4.04	4.16	3.48
1939	6.21	7.21	6.05	5.76	5.85	6.05	6.15	6.33				

The total supply of corn this year, including the prospective large October 1 carry-over, is expected to exceed the 1938 supply, but the quantity of free corn (not held under Government loans) available this year may be somewhat smaller than last. The indicated wheat crop this year is 21 percent below that of last year. Assuming an increase of about 7 percent in the number of all grain-consuming animal units during 1939, the 1939-40 supply of all feed grains per animal will be about 8 percent below the 1938-39 supply but 4 percent above the 1928-32 average. Actual feed costs may be about the same or slightly less during the coming year as compared with 1938-39.

Production, for recent years, of the various grains making up the average poultry ration is given in the following table. From these production figures, an index of poultry feed supplies, relative to 1928-37, has been constructed, using the same weighting system that is used in making the feed-egg ratio. In the right-hand column of this table is shown the feed-egg ratio for November in the corresponding years relative to its 1928-37 average. Note that larger feed supplies, as in 1928, do not always bring about a favorable feed situation as compared with egg prices. (A low feed-egg ratio indicates a favorable situation.)

Production of poultry feed grains and November feed-egg ratio

Year	Production				Index numbers, feed grains (1928-37 = 100)	Feed-egg ratio, percentage of average 1928-37
	Corn	Wheat	Oats	Barley		
	Million bushels	Million bushels	Million bushels	Million bushels	Percent	Percent
Average 1928-37	2,310	753	1,049	233	100	100
1928	2,666	914	1,313	328	116	104
1929	2,521	823	1,113	280	109	91
1930	2,080	886	1,275	300	94	99
1931	2,576	942	1,124	199	112	75
1932	2,931	757	1,251	298	125	45
1933	2,400	552	733	154	100	101
1934	1,461	526	542	117	63	138
1935	2,304	626	1,195	286	99	105
1936	1,507	627	786	147	67	137
1937	2,651	876	1,162	220	115	106
1938	2,542	931	1,054	252	110	85
1939 <sup>1/</sup>	2,460	731	898	257	105	

<sup>1/</sup> August 1 estimate.

Poultry marketings

During August, receipts of dressed poultry at the 4 principal markets were 9 percent larger than in the corresponding weeks of 1938 and 15 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 market season because of the larger number of hens and young chickens on hand and the large increase in turkey production.

Receipts of dressed poultry at 4 markets, (New York, Chicago, Philadelphia, Boston), average 1928-38, annual 1938-39

Year	Week ending as of 1939									
	July		Aug.				Sept.		Oct.	
	22	29	5	12	19	26	2	9	28	
	1,000	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	pounds
Average										
1928-37	4,787	4,627	4,707	4,798	5,130	5,153	5,437	5,332	7,479	
1938	4,506	5,405	5,656	5,989	4,567	4,684	5,005	5,382	8,817	
1939	5,942	6,948	5,872	5,690	5,608	5,624				

Poultry storage

As measured at the 26 major storing cities, a slight net out-of-storage movement of frozen poultry has continued during August. Last year a slight net into-storage movement occurred in this month. By early October the net into-storage season will probably be well underway.

The quantity of poultry in storage on August 26 was 14 percent above last year and 30 percent above the 10-year average. It was only 3 percent below the record high stocks on that date in 1937. With marketings of poultry this fall expected to run above those of 1938, it is likely that storage stocks by January 1, 1940 will also exceed those of a year earlier.

Storage holdings of dressed poultry at 26 markets, average 1928-37, annual 1937-39

Year	Week ending as of 1939		
	Jan. 7	July 29	Aug. 26
	1,000 pounds	1,000 pounds	1,000 pounds
Average			
1928-37	96,864	33,914	34,215
1937	142,418	51,132	45,867
1938	93,601	37,097	39,070
1939	104,313	46,492	44,576

Chicken prices

Prices received by farmers for chickens declined 0.7 cents per pound between July 15 and August 15. Prices usually decline from April to December. Since April 15 prices have declined 1.4 cents this year as compared with a decline of 2 cents last year and 0.7 cents on the average during 1928-37. On August 15, prices were over 1 cent below last year and almost 3 cents below the 10-year average. Prices were the lowest for the month since 1934. The effect

on prices of larger market supplies of poultry during the remainder of the year and of larger supplies of meats competing with poultry will be partly offset by larger consumer incomes.

Price per pound received by farmers for chickens,  
average 1928-37, annual 1937-39

Year	Jan. : : 15	Apr. : : 15	May : : 15	June : : 15	July : : 15	Aug. : : 15	Sept. : : 15	Oct. : : 15	Nov. : : 15
	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents
Average	:	:	:	:	:	:	:	:	:
1928-37 ...	15.1	16.4	16.3	16.1	15.8	15.7	16.0	15.4	14.9
1937 .....	13.4	15.2	14.8	14.8	15.3	16.8	17.4	17.6	16.9
1938 .....	16.7	16.2	16.1	15.7	15.0	14.2	14.3	13.6	13.6
1939 .....	14.0	14.4	13.9	13.4	13.7	13.0			

Domestic demand

The improvement in conditions affecting the domestic demand for farm products which began in May has continued through August, but no business boom of large proportions is in sight. Conditions in the more important industries which affect industrial production and consumers' incomes point to probable continuation of relatively stable domestic demand conditions during the remainder of 1939, at least, with only moderate variations in industrial production and consumers' incomes. However, it is likely that by fall consumers' income will exceed the 1938 peak.

Index numbers of nonagricultural income, average 1928-37, annual 1937-39

(1924-29 = 100, adjusted for seasonal variation)

Year	Feb. :	Apr. :	May :	June :	July :	Aug. :	Sept. :	Oct. :	Dec. :
Average	:	:	:	:	:	:	:	:	:
1928-37 ...	87.0	86.3	86.5	86.4	86.6	86.6	86.4	86.2	87.3
1937 .....	93.7	95.7	96.8	96.8	97.9	98.2	96.9	96.4	98.4
1938 .....	90.0	89.6	87.5	87.3	87.6	89.0	90.1	90.5	95.0
1939 .....	92.2	90.4	91.1	92.9	1/93.0				

1/ Preliminary.

Laying flock size

The average size of farm laying flocks declined seasonally from January 1 to August 1 at about the 1928-37 average rate of 25 percent. The low point in numbers is usually reached by September. On August 1, laying flocks were 3 percent larger than in 1938.

The chart on the cover page shows the size of farm flocks on January 1 from 1928 to date. The flock size on January 1 is an important indication of egg production during the following 6 months. The 2.6 percent increase in the number of young chickens on hand July 1 and the larger number of hens now on farms will tend to increase the size of flocks on January 1, 1940. However, the possibly less favorable feed-egg ratio this fall than last may tend to offset, at least partly, this indicated increase by increasing poultry marketings between now and the end of the year. Consequently laying flocks next year may be only a few percent larger than they were on January 1 this year and will probably continue below the 1928-37 average size.

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

Year	Jan.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37 ..	86.0	70.9	66.8	64.2	63.5	68.6	73.8	79.8
1937 .....	84.2	68.5	63.6	62.1	59.9	64.3	69.3	74.4
1938 .....	77.6	65.0	61.6	59.3	59.8	65.6	72.5	78.0
1939 .....	82.8	68.5	64.3	61.3				

Egg production

The average number of eggs laid per 100 hens continues high. Although the rate of lay on August 1 this year was not quite equal to the rate in the past year and was the same as in 1937, it exceeded the August 1 figure for any other of the 15 years of record and was 9 percent above the 1928-37 August 1 average.

Total egg production per farm flock on August 1 was slightly above last year and 3 percent above the 10-year average for that date. Production during the fall of 1939 will probably continue about the same or 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	Mar.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1928-37 ..	37.7	50.1	42.8	37.1	32.7	25.5	18.1	15.2
1937 .....	39.2	52.5	44.4	40.4	36.1	28.8	21.1	18.6
1938 .....	42.2	52.9	46.5	41.2	35.3	28.2	22.3	19.9
1939 .....	41.4	52.4	45.9	40.4				



Egg marketings

Receipts of eggs at the 4 principal markets are still declining from the seasonal peak reached in May. During August receipts were 9 percent above receipts a year ago but 6 percent below the 1928-37 average for these weeks.

## Receipts of eggs at 4 markets

(New York, Chicago, Philadelphia, Boston)

Year	Week ending as of 1939									
	July : 22	July : 29	Aug. : 5	Aug. : 12	Aug. : 19	Aug. : 26	Sept. : 2	Sept. : 9	Oct. : 28	
	: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	: 262.8	236.9	220.3	210.2	211.4	202.6	201.6	188.8	136.6	
1938 .....	: 216.8	215.4	190.6	189.0	176.3	168.9	158.4	144.8	123.1	
1939 .....	: 245.8	220.6	204.2	205.6	198.3	183.6				

Egg storage

The number of eggs in cold storage on August 1 is an important factor affecting fall and early winter egg prices. Combined holdings of shell and frozen eggs on August 1 this year were 8 percent above last year but 9 percent below the 1928-37 average.

Because of the increase in the proportion of eggs stored in frozen form, a comparison of shell eggs in storage in any year with some previous 10-year period is misleading as an indication of relative total supplies of eggs in cold storage. For example, shell eggs in storage on August 1 of this year were 21 percent below the 1928-37 average whereas stocks of shell and frozen eggs combined were only 9 percent below the 10-year average. This year frozen eggs made up 37 percent of the total eggs in storage on August 1.

Storage holdings of eggs, United States, August 1

Year	Holdings	Percentage of
	1,000 cases	1928-37 average
		Percent
<u>Shell eggs</u>		
Average 1928-37 .....	8,906	
1938 .....	6,411	72.0
1939 <u>1/</u> .....	7,017	78.8
<u>Frozen eggs</u>		
Average 1928-37 .....	3,232	
1938 .....	3,867	119.6
1939 <u>1/</u> .....	4,086	126.4
<u>Total</u>		
Average 1928-37 .....	12,138	
1938 .....	10,278	84.7
1939 <u>1/</u> .....	11,103	91.5

1/ Subject to revision.

Egg prices

Prices received by farmers for eggs increased 1 cent per dozen between July 15 and August 15. This is slightly less than last year and about 1 cent less than the 1928-37 average increase. Egg prices on August 15 were 3-1/2 cents below last year and over 3 cents below the 1928-37 average for that date. Prices this year were the lowest for the month since 1934. The price effects of larger storage stocks of eggs this year than last will be partly offset by larger consumer incomes.

Price per dozen received by farmers for eggs

Year	Jan. : : 15	Mar. : : 15	May : : 15	June : : 15	July : : 15	Aug. : : 15	Sept. : : 15	Oct. : : 15	Nov. : : 15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average									
1928-37	25.9	18.0	17.5	17.4	18.7	20.6	23.9	27.0	31.1
1937	23.1	19.9	17.9	17.6	19.4	20.4	22.9	25.2	28.0
1938	21.6	16.2	17.6	18.2	19.9	21.0	24.9	27.1	29.0
1939	18.6	16.0	15.2	14.9	16.5	17.5			