

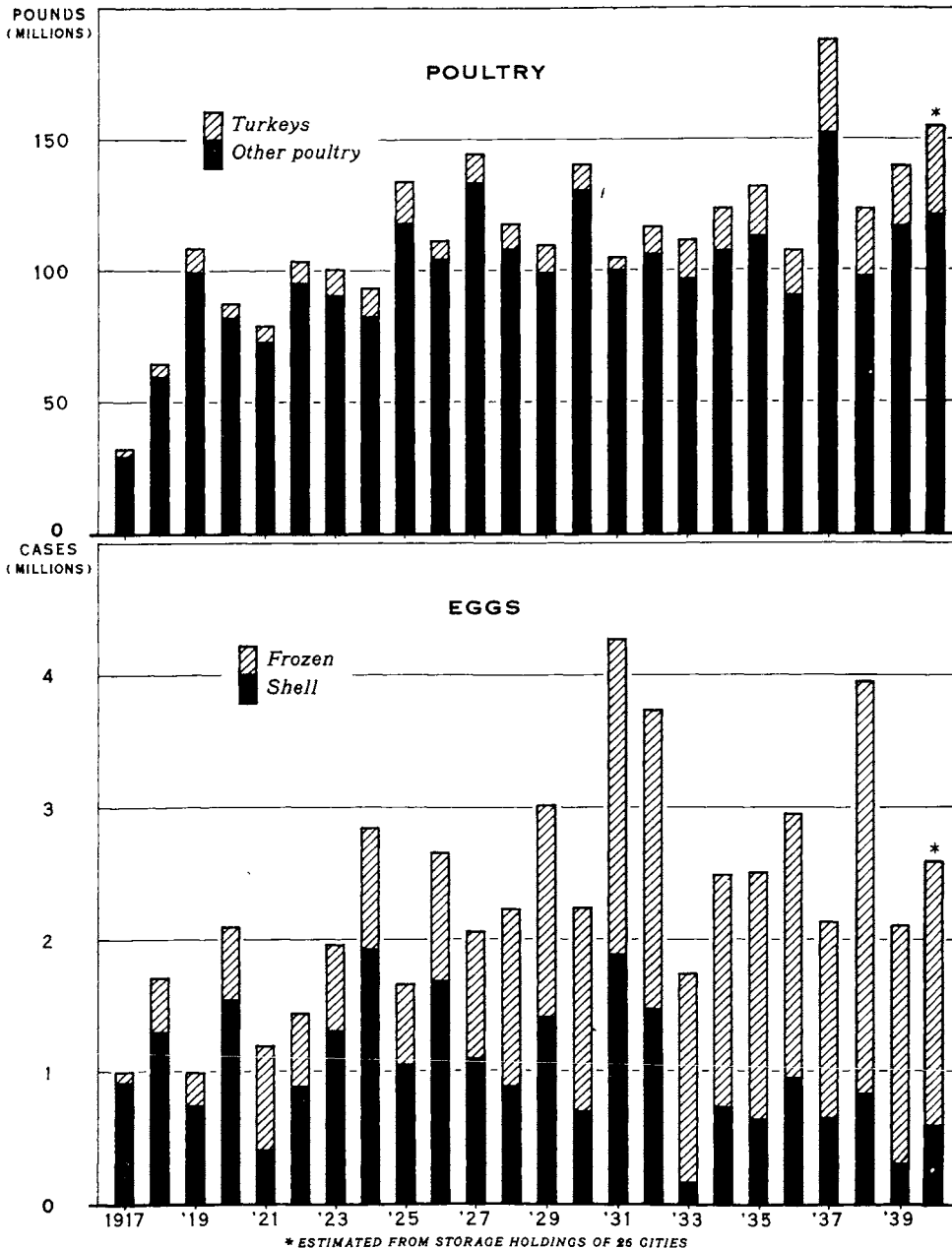
UNITED STATES DEPARTMENT OF AGRICULTURE  
 BUREAU OF AGRICULTURAL ECONOMICS  
 WASHINGTON

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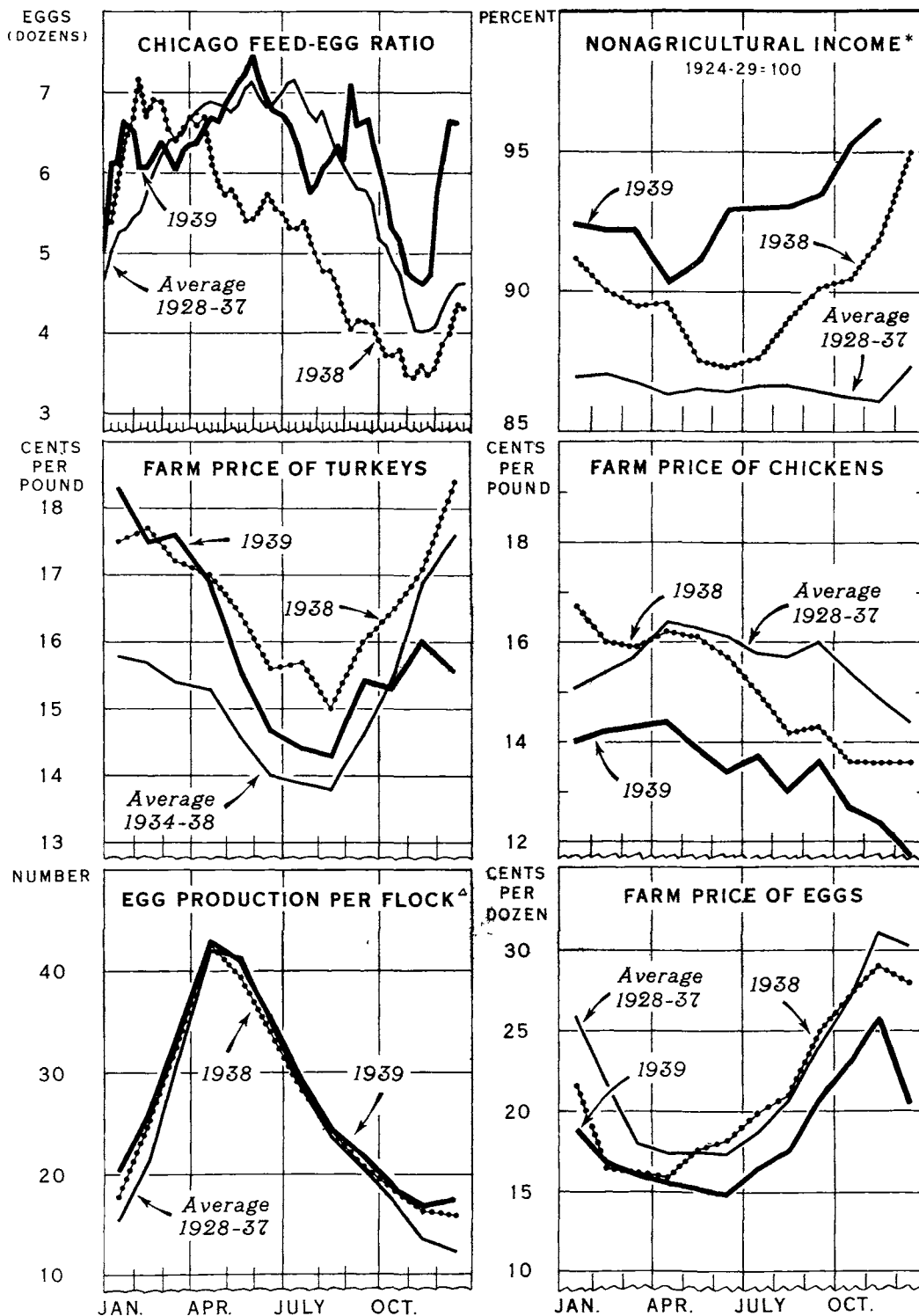
JANUARY 3, 1940

THE POULTRY AND EGG SITUATION

U. S. COLD STORAGE HOLDINGS OF POULTRY AND EGGS ON JANUARY 1



# THE POULTRY AND EGG SITUATION AT A GLANCE



\* INDEX NUMBERS, ADJUSTED FOR SEASONAL VARIATION

<sup>a</sup> ON 1ST. DAY OF MONTH

FIGURE I

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 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  
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Summary

Lower egg prices, coupled with higher feed costs, have caused the Chicago feed-egg ratio to rise very rapidly since the week ended November 18. The rise has been much greater than for the corresponding weeks of 1938 or the 1928-37 average increase for those weeks. For the week ended December 23, over 2 dozen more eggs were required to purchase 100 pounds of poultry feed than in the corresponding week of 1938 and 2 dozen more than the 1928-37 average for that week.

Egg production per flock on December 1 was the largest on record for that date and 5 percent larger than on November 1. In no other year on record has production increased between these two dates. As a result of the increased production, egg prices have declined sharply since the middle of November. Prices received by farmers for eggs dropped 5.3 cents per dozen between November 15 and December 15. In only one other year since 1910 have farm prices dropped more than  $2\frac{1}{2}$  cents between these two dates. On December 15 farm egg prices were 7.4 cents per dozen below prices a year earlier and 9.8 cents below the 1928-37 average for December 15. Since December 12 wholesale prices have been supported somewhat by purchases for the Federal Surplus Commodities Corporation.

: :  
 : The 1940 Agricultural Outlook Chart Book :  
 : for Poultry and Eggs is now available to readers :  
 : of The Poultry and Egg Situation. Any reader who :  
 : wants a copy may obtain it upon request to the :  
 : Division of Economic Information, Bureau of Agri- :  
 : cultural Economics, Washington, D. C. :  
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Storage stocks of poultry usually reach a peak during January. Stocks at the 26 major storing cities on December 23 were 23 percent larger than on the corresponding date in 1938 and 35 percent above the 1928-37 average. During December the into-storage movement was materially above that in December 1938. The increase in stocks consists largely of turkeys and fowls. Market receipts of poultry have also been above those of a year earlier. Supplies of poultry are expected to continue larger than in 1939 during the first half of 1940.

Prices received by farmers for chickens on December 15 continued about 2 cents per pound below those of that date in 1938 and almost 3 cents below the 1928-37 average for December 15. Turkey prices were almost 3 cents below those of a year earlier, and the same amount below the 10-year average.

FEED-EGG RATIO

As a result of lower egg prices and higher feed costs, the feed-egg ratio at Chicago has been rising very rapidly since the week ended November 18. The ratio usually begins to rise by the end of November, but the increase this season has been much greater than that of a year earlier or than the 1928-37 average increase.

For the week ended December 23, 2.2 dozen more eggs were required to purchase 100 pounds of poultry feed than in the corresponding week of 1938, and 2.0 dozen more than the 10-year average for that week. It is expected that more eggs will be required to purchase 100 pounds of feed during the first half of 1940 than were required in the corresponding weeks of 1939 or the 10-year average number.

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

Year	Week ending as of 1939											
	January		Mar.	June	Sept.	Nov.	December					
	7	14	21	25	24	30	25	2	9	16	23	30
	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.
Average												
1928-37	4.67	5.04	5.26	6.51	6.87	5.63	4.04	4.09	4.30	4.52	4.61	4.62
1938	5.30	5.40	5.88	6.56	5.56	4.10	3.48	3.56	3.86	4.01	4.36	4.31
1939	5.02	6.12	6.13	6.28	6.78	6.39	4.73	5.68	6.23	6.63	6.62	

POULTRY SITUATION

Poultry marketings

Receipts of dressed poultry at the four principal markets for the period from November 13 to December 23 were 14 percent larger than in the same period in 1938 and 17 percent above the 1928-37 average receipts in these weeks. Receipts during early 1940 will continue larger than during the same periods in 1939 because of the larger number of hens and chickens on hand and the increased production of turkeys.

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

Year	Week ending as of 1939									
	January		Feb.	Nov.	December					
	7	14	25	25	2	9	16	23	30	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.
Average										
1928-37	6,974	5,699	4,231	28,385	15,627	9,754	14,101	27,487	11,942	
1938	4,187	3,655	3,278	17,101	8,596	10,217	24,618	17,291	6,835	
1939	4,159	4,418	3,585	23,999	12,471	9,451	20,274	32,380		

Poultry storage

Storage stocks of frozen poultry usually reach a peak during January. Stocks at the 26 major storing cities on December 23 were 23 percent larger than on the corresponding date in 1938 and 35 percent above the 1928-37 average. During the 4 weeks ended December 23, the into-storage movement was 77 percent above a year earlier and 67 percent above the 10-year average.

United States stocks of poultry on December 1 were 8 percent larger than on the same date in 1938. Stocks of frozen turkeys were 46 percent larger than a year earlier and the largest on record for December 1. Stocks of fowls were 28 percent larger than in 1938 and larger than on any other December 1 on record except 1936. Stocks of other types of poultry were smaller than on the same date last year.

Storage stocks of frozen poultry at 26 markets

Year	Week ending as of 1939						
	Storage	Into-storage movement, December					Storage
	stocks	2	9	16	23	30	stocks
	Nov. 25						Dec. 30
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Average							
1928-37	65,684	8,281	9,070	4,675	2,765	2,981	93,456
1938	76,481	12,279	7,166	4,332	1/ 358	2,044	101,944
1939	81,165	17,462	9,166	4,154	10,617		

1/ Out-of-storage.

Chicken prices

Chicken prices usually reach a low point for the year during December. The seasonal decline in prices since April 15 in 1939 was about the same as that which occurred in 1938 but somewhat greater than the 1928-37 average decline.

Prices received by farmers for chickens on December 15 were 1.9 cents per pound below prices on the same date in 1938 and 2.7 cents below the 1928-37 average price for December 15. The effect on prices of larger supplies of poultry during the first half of 1940 as compared with a year earlier will be partly offset by larger consumers' income.

Price per pound received by farmers for chickens

Year	Jan. 15	Feb. 15	Mar. 15	Apr. 15	July 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15
	Gents	Gents	Gents	Gents	Gents	Gents	Gents	Gents	Gents
Average									
1928-37	15.1	15.4	15.7	16.4	15.8	16.0	15.4	14.9	14.4
1938	16.7	16.0	15.9	16.2	15.0	14.3	13.6	13.6	13.6
1939	14.0	14.2	14.3	14.4	13.7	13.6	12.7	12.4	11.7

Fall and winter broilers

Reports from 73 commercial hatcheries located in those States which furnish a major proportion of the fall and winter broilers for Eastern markets report a hatch 1 percent larger for November than the record high hatch of November 1938. A decrease of 5 percent was reported in New England and of 13 percent in the Middle Atlantic States, whereas an increase of 26 percent was reported in the South Atlantic States. Production in the Central and Middle Western States was 1 percent larger than a year earlier. Storage stocks of frozen broilers on December 1 were slightly smaller than on the same date in 1938.

Turkey prices

Prices received by farmers for turkeys decreased 0.4 cents per pound between November 15 and December 15. In 1938 prices increased 1.3 cents between these two dates, but 1928-37 average prices decreased 0.4 cents. Prices on December 15 were 2.8 cents per pound below prices a year earlier and 2.9 cents below the 1928-37 average price for December 15.

Price per pound received by farmers for turkeys

Year	Oct. 15	Nov. 15	Dec. 15	Jan. 15
	Gents	Gents	Gents	Gents
Average				
1928-37	17.9	18.9	18.5	18.1
1938-39	16.5	17.1	18.4	18.3
1939-40	15.3	16.0	15.6	



Egg marketings

Receipts of eggs at the four principal markets are now increasing seasonally. During the 4 weeks ended December 23, receipts were 12 percent larger than in the corresponding weeks in 1938 and 25 percent above the 1928-37 average receipts. Receipts in 1940 as a whole may be slightly larger than in 1939 because of the expected larger egg production.

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

Year	Week ending as of 1939									
	Jan.		Feb.	Nov.	Dec.					
	7	14	25	25	2	9	16	23	30	
	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	175.8	187.2	246.1	125.8	116.7	130.8	134.8	146.0	134.1	
1938	168.5	198.5	239.2	113.9	136.8	130.9	145.0	173.9	171.1	
1939	211.5	203.8	247.8	119.1	137.6	164.5	172.7	184.1		

Egg storage

United States stocks of shell and frozen eggs on December 1 were 11 percent larger than a year earlier. Stocks of shell eggs were 10 percent larger while stocks of frozen eggs were 12 percent larger.

The out-of-storage movement for shell eggs at the 26 major storing cities during the 4 weeks ended December 23 was 14 percent smaller than during the same period in 1938 and for frozen eggs was 1 percent smaller.

Storage stocks of eggs at 26 markets

Year	Week ending as of 1939							
	Storage	Out-of-storage movement, December						Storage
	stocks	2	9	16	23	30	stocks	
	Nov. 25						Dec. 30	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
	cases	cases	cases	cases	cases	cases	cases	
Average -								
1928-37	2,324	315	342	297	273	242	855	
1938	1,447	362	208	245	198	146	288	
1939	1,466	303	224	178	162			
<u>Frozen</u>								
1938	1,350	82	56	59	66	49	1,035	
1939	1,579	69	51	69	71			



Egg prices

In every year since 1933 egg prices have reached a peak in November. However, in only one year since 1910 have farm prices dropped more than  $2\frac{1}{2}$  cents per dozen between November and December. This year farm prices declined 5.3 cents between these two dates. On December 15, prices received by farmers for eggs were 7.4 cents per dozen below prices a year earlier and 9.8 cents below the 1928-37 average price for that date.

Egg supplies during the first half of 1940 may be slightly larger than in 1939, but the effect on prices of any increase in supplies as compared with a year earlier will be at least partly offset by increased consumers' income.

## Price per dozen received by farmers for eggs

Year	Jan. : 15	Feb. : 15	Mar. : 15	May : 15	July : 15	Sept. : 15	Oct. : 15	Nov. : 15	Dec. : 15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average -									
1928-37	25.9	21.6	18.0	17.5	18.7	23.9	27.0	31.1	30.3
1938	21.6	16.4	16.0	17.6	19.9	24.9	27.1	29.0	27.9
1939	18.6	16.7	16.0	15.2	16.5	20.6	22.9	25.8	20.5

## DOMESTIC DEMAND

Consumer income, after gradually improving from May to September, has risen sharply in recent months. This rise accompanied an even sharper increase in industrial production, which in December slightly exceeded that of the peak month of 1929. Fluctuations in consumer income during the next several months probably will be much less marked than changes in industrial production. The effects of the general improvement during the last half of 1939 will carry over into 1940. A short-time decline in production of considerable severity or a more moderate one lasting for a longer period than now seems probable would be required to bring any large reduction in the total income of nonfarm consumers.

Index numbers of nonagricultural income <sup>1/</sup>  
(1924-29 = 100, adjusted for seasonal variation)

Year	Jan.	Feb.	Apr.	June	Aug.	Sept.	Oct.	Nov.	Dec.
Average -									
1928-37	86.4	86.5	86.5	87.2	86.4	86.1	86.1	85.7	85.5
1937	92.9	93.8	95.7	96.9	97.7	96.7	96.0	94.1	91.7
1938	88.9	88.1	87.0	86.1	88.0	88.3	89.0	89.8	90.3
1939	90.6	90.6	90.1	91.7	93.1	93.4	95.4	<sup>2/</sup> 96.2	

<sup>1/</sup> Revised October 31, 1939.

<sup>2/</sup> Preliminary.