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THE Poultry and Egg SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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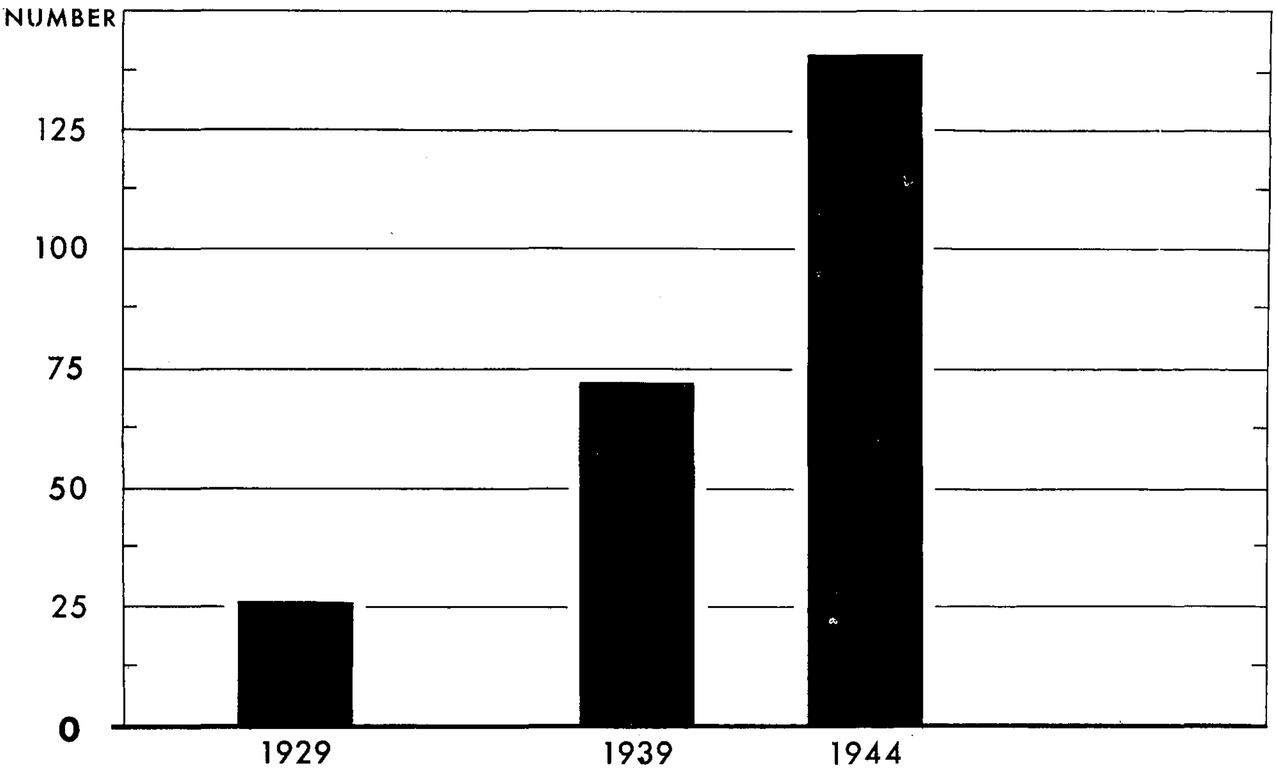


BASED ON DATA FROM THE BUREAU OF THE CENSUS

U. S. DEPARTMENT OF AGRICULTURE NEG. 46465-X BUREAU OF AGRICULTURAL ECONOMICS

Turkey production from 1929 to 1944 nearly doubled. But the number of farms raising turkeys in 1944 was about one-third that of 1929. Consequently, the average turkey farm was raising more than five times as many turkeys in 1944 than in 1929.

The Poultry and Egg Situation at a Glance

Item	Unit	Month	Average 1936-45	1946	1947	Comments
			Eggs			
Farm production	Mil. doz.	May	452.3	524.3	512.2	
Average number of layers on farms	Million	"	314.7	354.5	340.7	Culling rate much above last year.
Rate of lay per hen	Number	"	17.2	17.8	18.0	An all-time high!
Apparent civilian per capita disappearance	"	"	28.3	32.7	33.5	Consumption for first half of 1947 ahead of any year except possibly 1945.
Frozen egg production	Mil. lb.	"	---	83.9	81.4	
Dried egg production	" "	"	---	18.8	14.5	
Prices received by farmers	Ct. per doz.	June	23.4	33.5	41.5	A record for June.
Prices received by farmers as a percentage of parity	Percent	"	93	95	93	Parity index in June was 230, equal to April record.
Retail price (B.A.E.)	Ct. per doz.	May	31.1	43.5	57.2	
Egg-feed ratio	Lb. feed	June	10.9	9.6	10.3	Declined contra-seasonally in June because of sharp rises in feed prices.
Stocks: 1/						
Shell	1,000 cases	May	6,552	8,683	3,390	Lowest on record for June 1.
Frozen	" "	"	4,647	6,541	5,373	
Dried	Mil. lb.	"	---	11.9	38.9	Largely Government owned.
Chicks hatched	Million	"	222.9	211.0	227.4	June and July hatch appear much heavier than in 1946.
Chicks and young chickens on farms June 1 1/	"	"	554.2	581.4	573.2	
			Poultry			
Prices received by farmers for chickens	Ct. per lb.	June	17.3	26.6	27.5	Little change for some months.
Prices received by farmers as a percentage of parity	Percent	"	112	124	105	
Retail price of chickens (B.A.E.)	Ct. per lb.	May	34.6	45.9	50.9	
Prices received by farmers for turkeys	" " "	June	19.8	31.2	28.9	
Stocks: 1/						
Poultry, excluding turkeys	Mil. lb.	May	49.2	113.2	101.5	
Turkeys	" "	"	24.2	96.7	86.1	
Chicken-feed ratio	Lb. feed	June	8.7	7.6	6.8	) Less favorable for meat production than last year.
Turkey-feed ratio	" "	"	9.2	8.9	7.2	)
Receipts of poultry at Central Western Primary Markets, per plant	1,000 lb.	May	10.8	11.5	10.4	

1/ End of month.

THE POULTRY AND EGG SITUATION

Approved by the Outlook and Situation Board, July 2, 1947

SUMMARY

Egg producers will receive substantially higher prices in the second half of 1947 than in the same period of 1946. Egg supplies in the second half of this year will be moderately below last year, largely because of substantially smaller storage holdings.

The average price received by farmers for eggs in mid-June was 41.5 cents per dozen, 8 cents above the previous June 15. But because of the sharp increase in the cost of things farmers buy, particularly feed and building materials, the average return reflected 93 percent of parity. In the Midwest the USDA is purchasing dried and frozen eggs during June and July for price support purposes.

Chicken prices may decline somewhat as supplies of red meats and chicken increase seasonally. Supplies of chicken meat in the second half of 1947 will be below the same period of 1946. Turkey supplies for the coming holiday season will be less than last year.

(For release July 12, a.m.)

OUTLOOK FOR SECOND HALF OF 1947

Eggs

(1) Domestic demand for eggs during the second half of 1947 is expected to remain strong.

This is likely if national income continues high. During the first quarter of 1947 income payments were at a record rate of $180.5 billion and unemployment has been at the exceptionally low level of about 2 million.

(2) Egg prices will continue above last year but may not increase as much as usual this summer and fall.

Farmers received a near-record average of 40.5 cents per dozen for eggs the first half of this year. Through the rest of the year, prices will continue well above last year and probably will average the highest since 1920.

Generally high prices and small cold-storage supplies of eggs will help hold egg returns up. More important will be the effect of high meat prices this fall and winter which will tend to maintain demand for eggs.

While egg prices are high in part because all prices are currently high, egg markets are also kept up by the relative high prices of competing foods such as meats. No substantial change in the meat prices is expected this summer and early fall.

Since the Steagall Amendment requires the USDA to support prices at a minimum of 90 percent of parity through 1948, the Department has been purchasing dried and frozen eggs in some areas. The near-record egg prices received the first 6 months of this year, particularly in the coastal areas, have resulted in an average of 93 percent of parity in spite of sharp increases in the index of prices paid, including interest and taxes.

Total acquisitions by the USDA (purchases minus cancellations) of frozen eggs as of June 28 were 60 million pounds. Also 71 million pounds of dried eggs have been acquired so far, of which 33 million pounds were procured to fulfill commitments of the British Food Mission. Most of the purchases for price support were made during May and early June.

Table 1.- Purchases through June 1947 of dried whole egg by Production and Marketing Administration, by months of delivery

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1941						0.7	1.2	2.6	2.6	5.7	8.7	13.9	35.6
1942	11.4	12.9	13.1	13.4	18.3	17.5	18.5	19.2	19.2	22.0	25.3	15.8	206.6
1943	7.2	20.1	12.6	21.4	17.2	10.9	10.6	19.9	16.1	16.4	20.1	28.1	209.6
1944	26.4	27.0	18.3	27.7	27.0	26.1	24.8	31.5	24.2	20.4	12.8	7.6	273.8
1945	6.2	5.0	9.8	10.6	3.5	0.6	0.1	0.3	--	--	--	--	36.1
1946	--	4.2	15.0	16.8	12.2	13.7	11.3	10.5	5.8	2.0	2.6	3.5	97.6
1947	7.9	10.5	11.0	4.6	16.7	14.9	5.2						

The Department of Agriculture announced that support prices for July will be the same as in May and June. The Department is buying dried and frozen eggs from processors who are required to pay producers 35 cents per dozen. However, very few eggs are being purchased for July delivery since prices are now well above the support price.

The average price received by farmers in mid-June was 41.5 cents per dozen, 93 percent of parity. Since that time, prices in wholesale markets have increased about seasonally. October and November futures options reached 27-year highs in late June when they exceeded 51 cents per dozen.

(3) Supplies of eggs will be moderately below last year.

Egg production for the remainder of 1947 is likely to be somewhat below the same period of 1946. The average number of layers on farms during May was 4 percent below last year. The number of chickens to be added to farm flocks will be about the same or slightly more than last year. Consequently, the number of layers on farms during the second half of 1947 is likely to approach 1946 level.

Cold-storage stocks of eggs are considerably below last year. Early in July, stocks of shell eggs, on the basis of the 35 markets, were about two-fifths of last year's large holdings of almost 10 million cases. Frozen egg stocks were about 15 percent below last year.

(4) Farmers are likely to start 1948 with somewhat fewer layers than on January 1, 1947.

Important to plans for next year's layers are less than seasonally increases in the egg-feed price ratio, owing largely to rising feed costs. On June 1, 1947 the number of young chickens on farms was 1 percent below the previous June 1. With commercial hatchings, during June and July of this year running ahead of last year, the number of pullets to be added to farm flocks may be about as large or somewhat larger than last year. However, the culling rate during the next few months may be somewhat heavier than last year.

Because of the strong demand for grains, prices of feedstuffs have increased more in recent months than have egg prices. The egg-feed price ratio in mid-June declined slightly from April and May levels.

Chickens and Turkey

(1) Chicken supplies are likely to be moderately below last year.

Although the number of chickens raised will be about as large or even larger than last year, the number of farm chickens slaughtered will be less. Little change in inventory is expected this year, but in 1946 chicken numbers were reduced 10 percent. Also, cold-storage stocks of chicken are below last year. Commercial broiler production, however, may be somewhat larger than last year.

(2) Prices received by farmers and broiler growers for chickens may decrease somewhat from present levels.

Increased supplies of chicken and red meats are likely to bring about some reduction in prices but these are not expected to be substantial unless business activity declines. However, high feed prices will result in lower profits to producers of chicken meat than in recent years. The chicken-feed price ratio has been substantially below last year and the average.

(3) The turkey crop this year will be about 15 to 20 percent below last year.

Although hatchings of poults during the early months of 1947 were about 20 to 25 percent below last year, in recent months they have been only 10 percent below. Supplies of turkeys for the coming holiday season are expected to be substantially below last year.

UNITED KINGDOM: FOREIGN TRADE AND CONSUMPTION OF EGGS

One of the main factors in the longer-term outlook for the domestic egg industry is the prospect for exports to the United Kingdom. From 1941 through 1946, exports have played an important role in the demand for U. S. eggs and more than two-thirds have gone to the British Isles. For example in 1946 exports to the U. K. amounted to about 5 percent of U. S. production.

Before the war, the United Kingdom imported about two-fifths of the eggs consumed. About 60 percent of the imports came from Denmark, the Netherlands, and Poland. The United States and Canadian shares were insignificant. Following the outbreak of war, the British egg production declined. Output recently has been only about two-thirds to three-fourths of the 400 million dozen produced in prewar years.

Despite the decline in production, egg consumption during the war years -- shell equivalent basis--stayed near prewar levels except in 1941 and 1942 when it was 15 to 25 percent below prewar. This was made possible by large imports of eggs and egg products from the United States, Canada, and Australia.

Although the quantity of eggs consumed in the United Kingdom did not decline to any great extent during the war, the pattern of consumption changed distinctly. Most of the imports were in dried form in contrast to negligible quantities of these products before the war. (See table 2.)

In 1946, consumption again declined and appeared to be about 15 percent below pre-war. In the first 4 months this consumption rate was not much different than in 1946. Also during the first four months of 1947 the consumption pattern changed somewhat from that of the war years. Although dried eggs continued to supply a large portion of the eggs consumed, they were not as important as in earlier years. The United States supplied relatively less than during the war but imports from Canada, and Denmark have been substantial. Through April no eggs had been imported by the United Kingdom, from the Netherlands and Poland. (See table 3.)

Whether the United States continues to be a large exporter of eggs to the United Kingdom cannot be definitely determined at present. The rate at which the poultry industry in the United Kingdom and other European countries is rebuilt/ will affect U. S. exports. Although progress is being made, it will be some time before egg production again reaches prewar levels. Another important element in the picture is U. S. prices compared with those of other countries.

It should be pointed out, however, that although the head of poultry in the United Kingdom is nearly as large as in prewar years, egg production is still about one-third less because of the sharply lower production per hen, largely because of small feed supplies. It is estimated that before the war production per layer was 115 eggs, but at present is only around 85 to 90 eggs.

Table 2.- Consumption of shell and dried eggs, United Kingdom, 1934-38 average, 1945, 1946, and Jan.-Mar. 1947

Year	Eggs in shell 1/	Dried
	1,000 dozen	1,000 pounds
Average 1934-38	667,836	3,484
1945	380,484	181,688
1946	409,617	92,300
Jan.-Mar.	113,243	21,541
Apr.-June	152,070	19,513
July-Sept.	74,416	23,582
Oct.-Dec.	69,888	27,664
1947		
Jan.-Mar.	114,538	17,758

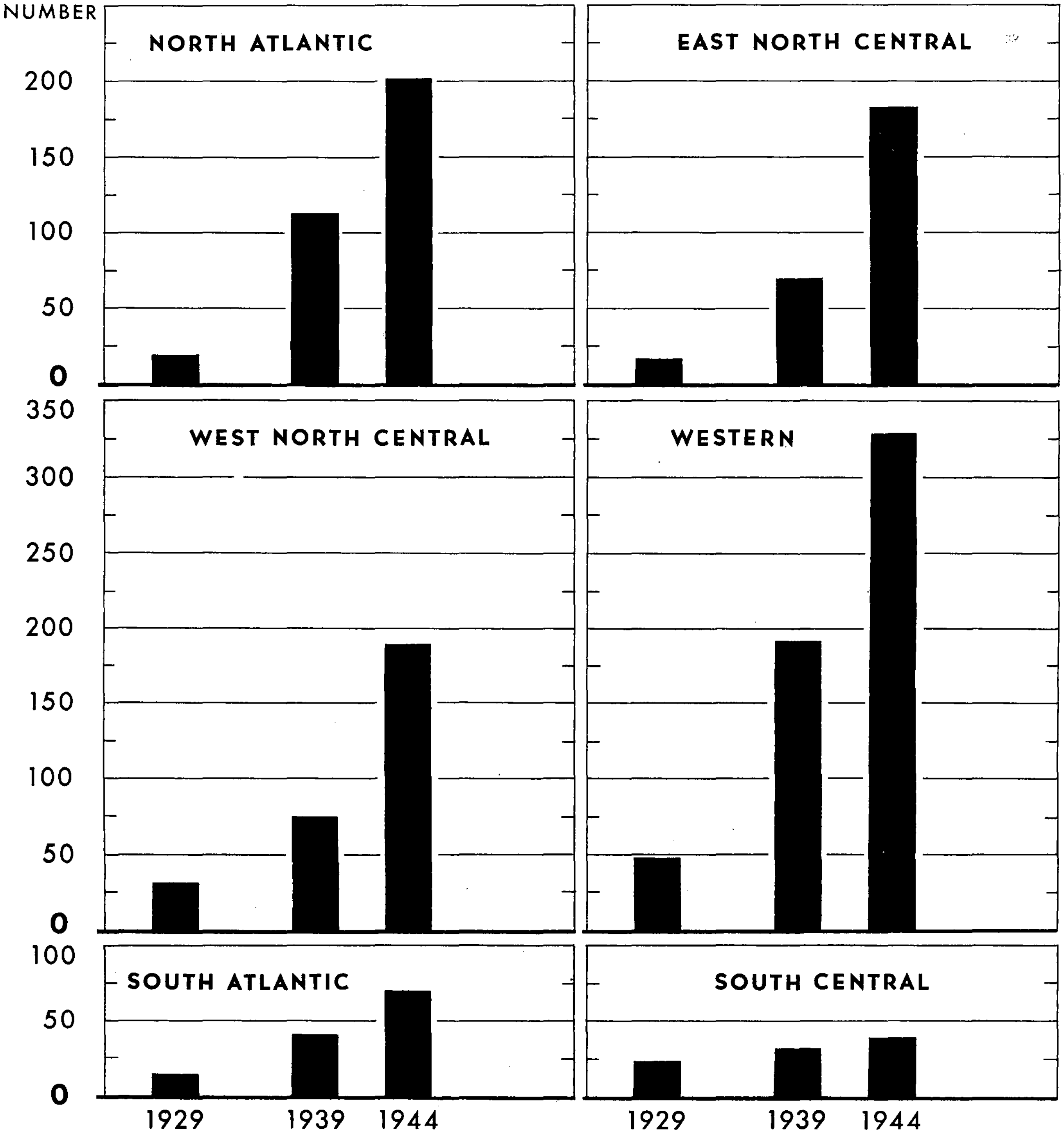
Compiled from Monthly Digest of Statistics, Central Statistical Office of the United Kingdom.
1/ Does not appear to include frozen and liquid eggs. In prewar years, frozen and liquid eggs accounted for about one-tenth of the per capita consumption.
See "Food Consumption Levels in the United States, Canada, and the United Kingdom," Third Report of a Special Joint Committee set up by the Combined Food Board.

Table 3.- United Kingdom: Imports of eggs and egg products by countries, 1934-38 average, 1945, 1946, and January-April 1947 1/

Country	Average 1934-38			1945			1946			Jan.-Apr. 1947		
	Shell	Liquid or frozen	Dried	Shell	Liquid or frozen	Dried	Shell	Liquid or frozen 2/	Dried	Shell	Liquid or frozen 2/	Dried
	1,000 doz.	1,000 lb.	1,000 lb.	1,000 doz.	1,000 lb.	1,000 lb.	1,000 doz.	1,000 lb.	1,000 lb.	1,000 doz.	1,000 lb.	1,000 lb.
Australia	15,855	374		886		221	14,652		2,001	7,763		1,144
Canada	1,331			38,929		20,229	36,904		3,342	24,885		
Eire	24,640			17,692			18,353			5,612		
Union of S. Africa	3,122											
Argentina	3,115			5,432		5,875	675		5,850			346
Belgium	2,777											
China	10,706	90,459	3,128									
Denmark	80,900			5,989			8,422			10,353		
Finland	5,844											
Netherlands	35,334	140										
Poland	22,797	272										
United States		205	136			52,149			80,149			17,323
All Others	24,696	4,357	40	144		100	2,312		2,644	1,929		19
Total	231,117	95,807	3,304	69,072	0	78,574	81,318	35,943	93,986	50,542	10,010	18,832

Compiled from Annual Statement of the Trade of the United Kingdom, and Accounts relating to Trade and Navigation of the United Kingdom.
1/ Does not exclude negligible quantities reexported.
2/ Break-down by countries not available.

TURKEYS: AVERAGE NUMBER RAISED PER FARM, BY REGIONS, 1929, 1939, AND 1944



BASED ON DATA FROM THE BUREAU OF THE CENSUS

U. S. DEPARTMENT OF AGRICULTURE NEG. 46466-X BUREAU OF AGRICULTURAL ECONOMICS

Table 4.- Turkeys: Number of farms reporting and average number raised per farm, 1929, 1939, and 1944, U. S. Census
(Data for cover chart and figure 1)

State and region	1929		1939		1944	
	Farms reporting	Average per farm	Farms reporting	Average per farm	Farms reporting	Average per farm
	Number	Number	Number	Number	Number	Number
Maine	948	27	382	94	266	137
New Hampshire	805	24	254	152	290	166
Vermont	1,247	23	388	313	262	467
Massachusetts	1,383	44	732	270	839	298
Rhode Island	292	44	117	133	180	130
Connecticut	1,040	23	550	132	684	205
New York	8,348	20	2,946	105	2,314	186
New Jersey	1,333	24	932	138	1,141	178
Pennsylvania	12,741	14	7,193	84	4,730	191
NORTH ATLANTIC	28,137	19	13,499	113	10,706	201
Ohio	10,691	17	6,775	89	3,521	221
Indiana	8,462	15	4,243	70	2,243	200
Illinois	6,707	14	7,055	58	3,106	150
Michigan	13,108	18	7,110	56	3,586	130
Wisconsin	8,584	21	3,991	87	1,859	249
EAST NORTH CENTRAL	47,552	17	29,174	70	14,315	183
Minnesota	35,274	37	16,847	149	4,868	573
Iowa	6,702	17	5,274	272	1,503	1,247
Missouri	14,732	17	24,407	52	6,447	119
N. Dakota	38,990	37	29,798	47	11,623	52
S. Dakota	15,813	29	20,805	54	7,201	49
Nebraska	8,699	29	11,662	73	2,885	243
Kansas	15,385	21	23,293	51	5,136	91
WEST NORTH CENTRAL	135,595	31	132,086	74	39,663	190
Delaware	2,239	27	1,378	67	663	108
Maryland	9,718	29	5,849	58	3,997	89
Virginia	30,331	17	12,071	58-	7,456	102
West Virginia	11,214	16	4,498	38	2,375	109
N. Carolina	19,453	11	7,173	24	5,068	44
S. Carolina	10,430	8	4,234	25	3,341	61
Georgia	10,834	8	4,228	16	3,757	26
Florida	4,193	16	2,409	33	2,215	30
SOUTH ATLANTIC	98,414	15	41,842	41	28,872	70
Kentucky	26,318	15	8,575	25	4,033	44
Tennessee	13,028	12	6,541	21	3,523	25
Alabama	15,538	9	5,594	13	5,543	16
Mississippi	11,322	8	4,958	14	4,998	12
Arkansas	6,882	8	3,126	22	1,937	36
Louisiana	4,516	6	3,102	13	2,325	13
Oklahoma	34,514	23	30,880	46	7,456	45
Texas	125,204	30	71,694	48	39,175	46
SOUTH CENTRAL	237,322	23	134,470	41	68,990	39
Montana	12,900	34	5,314	42	3,475	36
Idaho	9,384	55	2,129	92	1,110	227
Wyoming	5,320	44	2,764	74	1,300	82
Colorado	15,508	35	8,814	102	4,311	156
New Mexico	4,301	29	1,354	34	1,479	32
Arizona	2,080	40	830	65	1,645	39
Utah	3,897	59	1,212	670	1,092	1,411
Nevada	1,194	75	511	92	522	75
Washington	66,447	39	2,671	226	2,465	410
Oregon	10,016	60	4,534	370	3,725	594
California	19,776	63	8,148	318	9,870	415
WESTERN	90,823	48	38,281	192	30,994	328
UNITED STATES	637,843	26	389,352	72	193,540	141

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TURKEY FARMS ARE GETTING LARGER AND FEWER

Among the changes in American agriculture during the past decade or so has been a decrease in the proportion of small family-size farm compared with larger units. This has been true of turkey farms as well as of others. From 1929 to 1944 turkey production nearly doubled, but in 1944 turkeys were on only one-third as many farms as in 1929; and the average number of turkeys raised per farm increased more than five times. In 1929, according to the Census reports turkeys were raised on 638 thousand farms and the number produced per farm was 26. By 1939, the number of farms raising turkeys had declined to 389 thousand and the number of turkeys raised per farm was 72. Census data also indicate that in 1944 turkeys were raised on 194 thousand farms and the average number raised per farm was 141.

Size of operation has increased most in the North Atlantic and Western States, although there also have been large increases in some of the states in the North Central region, particularly Iowa and Minnesota. From 1929 to 1944, the number of turkeys raised per farms increased 1,050 percent in the North Atlantic States, 683 percent in the Western States.

The average size of the farm turkey flock has increased moderately in the South Atlantic States, but little in the South Central States. This area, however, has the largest number of farms raising turkeys.

The States which have shown more than a ten-fold increase from 1929 to 1944 are as follows:

State	Percent increase
Vermont	2,030
Pennsylvania	1,364
Ohio	1,300
Indiana	1,338
Illinois	1,071
Wisconsin	1,186
Minnesota	1,549
Utah	2,392
Iowa	7,335
Washington	1,051
Oregon	990