

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

THE SUMMER POULTRY AND EGG OUTLOOK

1936

Release July 24, 1936.

Poultry prices are likely to decline by more than the average seasonal amount from July to December, 1936. Due to the increased number of chicks hatched and to drought conditions more poultry will be available for market. Meat prices, which affect poultry prices, may generally be lower. Realization by storage operators that spring receipts may be relatively low in 1937 because of these heavy marketings will tend to strengthen the demand for storage. A strengthening in demand by consumers, too, will tend to further offset the price decline.

Egg prices will probably rise by more than the average seasonal amount between July and December, 1936. Though some increase in production may occur, the effect of this on prices will quite likely be more than offset by the effects of lower storage stocks and of a probable increase in consumer incomes.

The prospective situation for poultry and eggs depends very largely on the course of the drought. A continuance of it in its present severity will tend to accentuate the price changes indicated for 1936, will reduce the size of the laying flock to be carried into 1937 from that of present indications, and will tend to raise egg prices throughout all of 1937.

THE FEED SITUATION

The most important factor in the poultry and egg outlook for the remainder of 1936 and early 1937 is the feed situation. Should the drought deplete feed supplies as seriously as in 1934, high feed prices would cause the number of chickens in poultry flocks to be reduced more than seasonally from present level. Indications on July 15 were for more feed per consuming animal than was the case in the drought year of 1934. Drought conditions have become more severe since July 15.

The relationship between feed costs and egg prices affects the size of flock and the rate of egg production. This relationship was favorable to producers during the spring of 1936 and was conducive to increased hatchings as well as a high average egg production per hen.

The Feed-Egg Ratio
(The number of dozen of eggs required to purchase 100 pounds
of poultry ration at farm prices)

Year	March	April	May	June
	<u>Dozen eggs</u>	<u>Dozen eggs</u>	<u>Dozen eggs</u>	<u>Dozen eggs</u>
1934	7.00	7.52	7.68	8.61
1935	8.38	8.03	7.38	7.13
1936	6.68	6.90	6.51	6.25
20-year av.	7.22	7.85	7.86	8.05

Feed prices have risen sharply since June 15 as a result of drought damage to grain crops. The extent of any further rise is still in question.

POULTRY

Number of young chickens. The number of young chickens available for marketing in the fall of 1936 will be greater than in 1935. Commercial hatcheries report an increase of 25 percent in the number of salable chicks hatched in the first six months of 1936 as compared with the same period in 1935. On June 1, 1936, as shown in figure 1, the number of chicks and young chickens in farm flocks was 12 percent greater than the small number a year before.

Fall and winter poultry marketings. Poultry marketings in the last half of 1936 will exceed those of the last half of 1935. Not only are there more young chickens but there are more laying birds. Because of the drought it is likely, too, that a greater than average proportion of layers will be sold this fall. If the severity of the drought increases in the poultry areas and feed prices rise, this proportion will be larger than if these States are relieved from further damage. If there is such relief, however, the smaller proportion of laying birds sold will be offset partially at least by the heavier weights at which young chickens would be sold.

Poultry consumption. The average consumption of poultry per capita in terms of dressed weight declined from about 18 pounds for the 5 years, 1930-34, to about 17 pounds in 1934 and 16 pounds in 1935. Increased marketings will make the amount of poultry consumed per capita in 1936 larger than in 1935. A consumption of about 17 pounds per capita or similar to that in 1934 is likely.

Foreign trade. Imports of poultry, mostly turkeys, exceeded exports by about 3,458,000 pounds, dressed weight, in 1931. Since that year imports have been reduced much more than exports and an export balance has resulted, amounting to about 1,012,000 pounds in 1935. During the first 5 months of 1936, exports exceeded imports by less than 100,000 pounds, indicating the possibility of a very close balance for the year.

Storage stocks. Storage stocks of frozen poultry are built up in the last part of the year. These stocks are an important source of supply for poultry consumption during the late winter and spring. Because of larger supplies of poultry this fall, the stock in storage on January 1, 1937, will probably exceed that on the same date a year before. (Figure 5.)

Poultry prices. Poultry prices seasonally reach their highest level in late spring and then decline throughout the rest of the year, this decline averaging about 13 percent for the years 1921-30. The farm price of chickens on June 15, 1936 was 16.4 cents per pound. (Figure 7.)

Chickens: Prices received by producers

Year	Jan.	Feb.	Mar.	Apr.	May	June
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
1935	12.4	13.4	14.2	15.5	15.7	15.6
1936	16.5	16.9	16.6	16.9	16.6	16.4
5-year seasonal 1931-35	11.9	12.3	12.5	13.0	13.5	13.3
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
1936 as percent of seasonal	138.7	137.4	132.8	130.0	124.8	123.3

Poultry and Eggs - 3.

The falling percent-of-seasonal shown in the table shows that prices are not being maintained above the 5-year average level. Because of the depressing tendency of the larger receipts this fall and because of generally lower meat prices which are likely, the decline in this percent-of-seasonal is expected to continue, but possibly at a diminishing rate since an increase in consumer demand (figure 8) is probable and since storage operators realize that part of the increase in fall receipts will be at the expense of receipts next spring.

EGGS

Hens in farm flocks. Laying flocks averaged larger on June 1, 1936 than on June 1, 1935, when they were the smallest of record in 11 years. Number of hens and pullets of laying age on July 1, 1936 did not exceed those of the previous years by the same percentage as in earlier months. Only in the North Atlantic section, however, did numbers actually decline. Present indications are that the number of laying birds in farm flocks on January 1, 1937 will exceed that on the same date in 1936. (Figure 2.)

Hens in farm flocks

Year	Jan. 1	Mar. 1	Apr. 1	May 1	June 1	July 1
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
10-yr. av. 1926-35	86.9	83.9	81.2	76.6	73.0	68.7
1936	80.6	76.7	74.8	70.5	66.6	62.1
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
1936 as percent of average	92.8	91.4	92.1	92.0	91.2	90.4

Egg production. The production of eggs in the flocks of crop reporters during the first half of 1936 exceeded that of the same months in 1935 by almost 3 percent. (Figure 3.) This increase in production was partly caused by the average increase in size of flocks and partly by the very high productivity of laying hens which, as reported for the months of May, June, and July 1936, was the highest recorded by this series. The fact that egg prices were high relative to feed prices stimulated the feeding of layers for egg production, thus contributing to the high rate of laying.

Eggs laid per 100 hens in farm flocks

Year	Jan. 1	Mar. 1	May 1	June 1	July 1
	<u>Eggs</u>	<u>Eggs</u>	<u>Eggs</u>	<u>Eggs</u>	<u>Eggs</u>
1935	16.9	37.3	55.2	50.3	44.1
1936	19.1	32.6	56.5	51.2	44.2
Av. 1926-35	17.0	38.4	55.2	59.7	42.4

Egg receipts at 4 markets. The increased egg production has made receipts of eggs at the 4 markets (New York City, Chicago, Boston, and Philadelphia) larger for the first 6 months of 1936 than for the same period in 1935. (Figure 4.) Increased receipts reflect increased consumption by city population since the

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gain over 1935 amounted to about 10 percent, whereas production advanced only 3 percent.

Fall and winter egg production. The outlook for fall and winter production of eggs will depend largely upon the course of the drought. A favorable feed-egg ration would tend to maintain production in the fall and winter above that of a year earlier. However, any material advance such as is probable in the ratio will tend to reduce production, by more than the seasonal amount, both by a reduction in the rate of laying and by a reduction in size of laying flock.

Foreign trade. Exports of eggs and egg products (mostly eggs in the shell) have declined for several years, reaching a low equivalent to about 2 million dozen per year for 1933, 1934, and 1935. Exports for the first 5 months of 1936 were almost 40 percent higher than those for the same period of 1935.

Imports of eggs and egg products, mostly dried eggs, declined for several years to an amount equivalent to about 7,500,000 dozen in 1934. They increased to about 22,500,000 dozen in 1935, and imports for the first 5 months of 1936 exceeded those for the same period in 1935 by about 16 percent.

Egg consumption. The average per capita consumption of eggs annually for the 5 years 1930-34 has been estimated at 20.2 dozens. Consumption has declined throughout this period, however, and was estimated at only 18.8 dozens in 1934 and 18.1 dozens in 1935. At the present rate of increase over 1935, the amount of eggs produced will exceed the production in that year by enough to make 1936 per capita consumption roughly equal to that of 1934.

Stocks in cold storage. The stock of eggs on July 1, 1936 as compared with stocks on the same date in previous years was very small. (Figure 6.) The stock of eggs in cold storage is usually largest as reported on August 1 but not much larger than reported on July 1.

Stocks of shell and frozen eggs in cold storage on July 1

Year	Total	Shell	Frozen	Frozen as percent of total
	Case equivalent 1,000 cases	1,000 cases	Case equivalent 1,000 cases	Percent
1935	10,679	7,595	3,084	28.9
1936	10,259	7,061	3,198	31.2
5-yr. av.	11,445	8,354	3,091	27.0

The small stock on July 1, 1936 is important because it will not depress fresh egg prices this fall as much as in other years. The resulting higher egg prices will partly offset the tendency of higher feed prices to cause producers to sell poultry and reduce flocks.

Prices. Prices received by producers for eggs reached their lowest level in 1933 and have advanced to much higher levels since that time, but in 1936 they were lower than in 1935. (Figure 7.) The rise in prices from 1933 to 1935 was caused largely by increased income which went to the non-agricultural population which purchases most of the eggs sold. (Figure 8.) Smaller production also

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played a part in rising prices, especially in 1934 and 1935. Lower prices in 1936 are largely because of increased production.

The farm price of eggs on June 15, 1936 was 18.9 cents per dozen and advanced each month since the low price for the spring of 16.8 cents per dozen was reported in April.

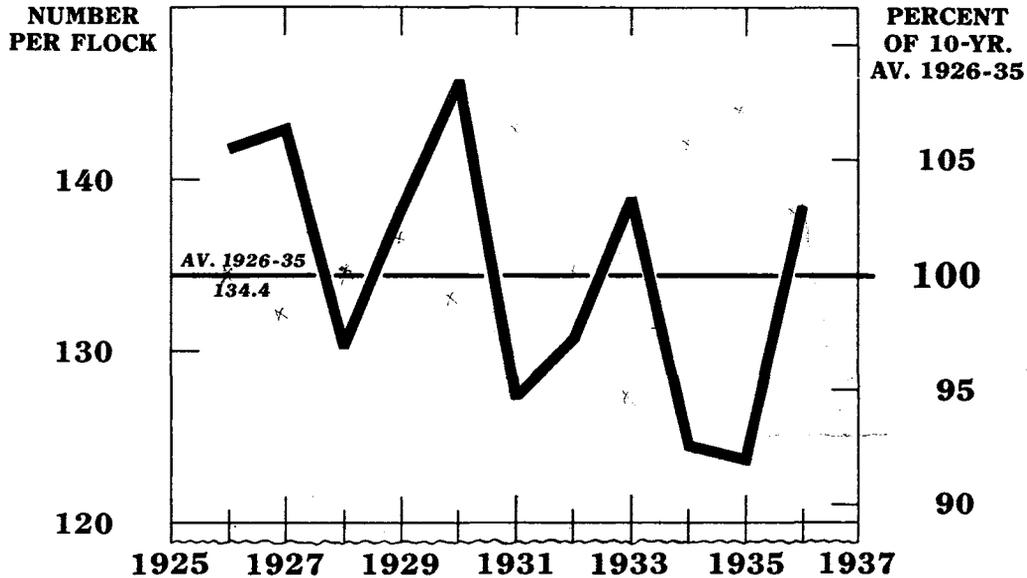
Eggs: Prices received by producers

Year	Jan.	Feb.	Mar.	Apr.	May	June
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
1935	25.0	25.6	18.6	20.0	21.4	21.0
1936	22.8	23.8	17.5	16.8	18.1	18.9
5-year av. seasonal 1931-35	23.1	18.8	13.7	13.4	13.6	13.7
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
1936 as percent of seasonal	98.7	126.6	127.7	125.4	133.1	138.0

The seasonal shows the expected changes in prices around a 5-year average for 60 months, 1931-35. That 1936 prices as a percent of seasonal rose throughout most of the spring shows there was a tendency for higher prices even in the months of seasonal decline. A continuation of this tendency to advance on the part of egg prices is in prospect. On the average, egg prices double from spring to December. With little evidence of expanding production and with income rising while storage stocks are small, fall and winter egg prices are expected to rise by more than this average from the low prices in the spring.



Chicks and Young Chickens in Farm Flocks on June 1, 1926-36



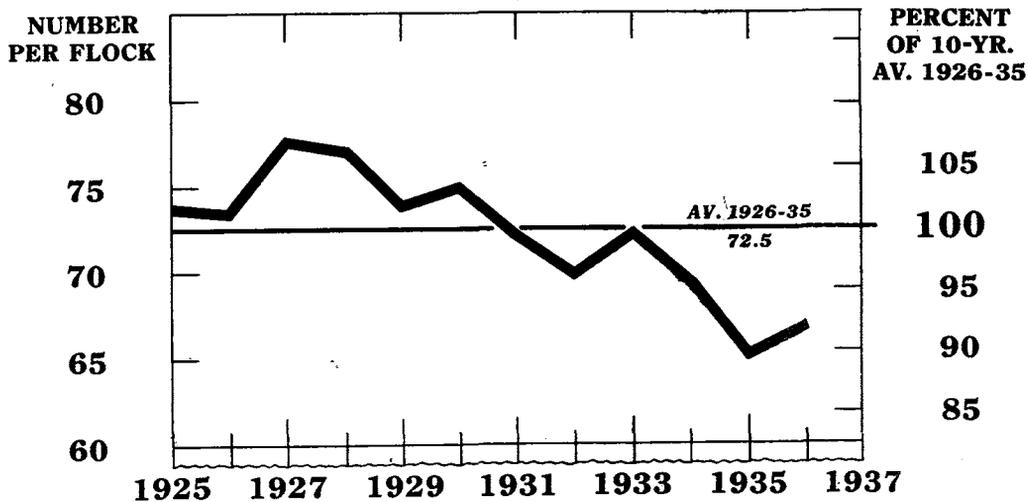
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FIGURE 1.- THE NUMBER OF CHICKS AND YOUNG CHICKENS IN FARM FLOCKS ON JUNE 1 HAS DECLINED NOTICEABLY DURING THE YEARS 1925-36. DURING THIS TIME PEAKS HAVE OCCURRED REGULARLY AT THREE-YEAR INTERVALS.

Hens and Pullets of Laying Age in Farm Flocks on June 1, 1925-36



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FIGURE 2.- THE NUMBER OF HENS AND PULLETS OF LAYING AGE IN FARM FLOCKS ON JUNE 1 HAS DECLINED MARKEDLY DURING THE PERIOD 1925-36. PEAKS OCCURRED AT REGULAR INTERVALS OF THREE YEARS.

Chicks and young chickens: Average number per farm flock
on June 1, 1931-36 by geographical divisions

Division	1931	1932	1933	1934	1935	1936
North Atlantic...	112.0	117.1	135.2	113.2	131.3	141.6
North Central....	176.6	176.3	196.7	173.0	166.2	183.9
South Atlantic...	95.7	104.1	102.3	94.7	97.6	110.0
South Central....	104.9	114.5	107.4	99.3	97.0	112.6
Western.....	88.6	83.8	88.2	86.3	83.7	93.1
United States....	127.3	130.6	138.7	124.4	123.6	138.0

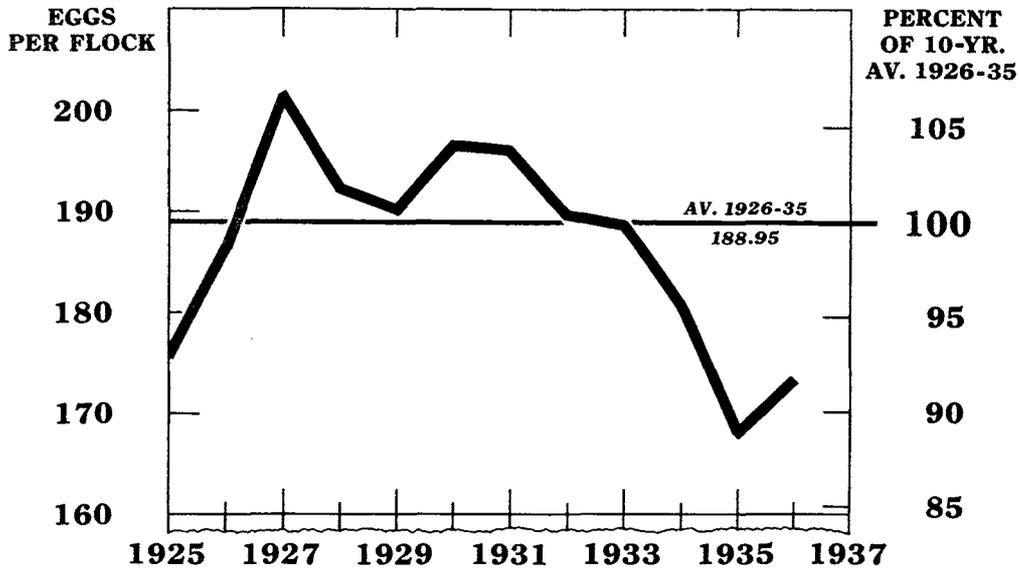
145.7
138.3
130.2
142.9

141.7

Hens and pullets: Average number of laying age per farm
flock on June 1, 1931-36 by geographical divisions

Division	1931	1932	1933	1934	1935	1936
North Atlantic...	81.8	81.9	85.2	83.4	80.9	81.6
North Central....	98.8	95.8	99.2	96.5	89.2	91.8
South Atlantic...	49.0	47.2	49.1	47.0	46.1	46.6
South Central....	52.3	51.6	54.0	50.1	46.5	47.3
Western.....	66.3	65.6	65.3	63.3	60.2	60.5
United States....	72.0	69.8	72.1	69.4	65.1	66.6

Eggs Laid Per Farm Flock on First Day of Each Month, Sum of Six Layings, Jan.-June, 1925-36

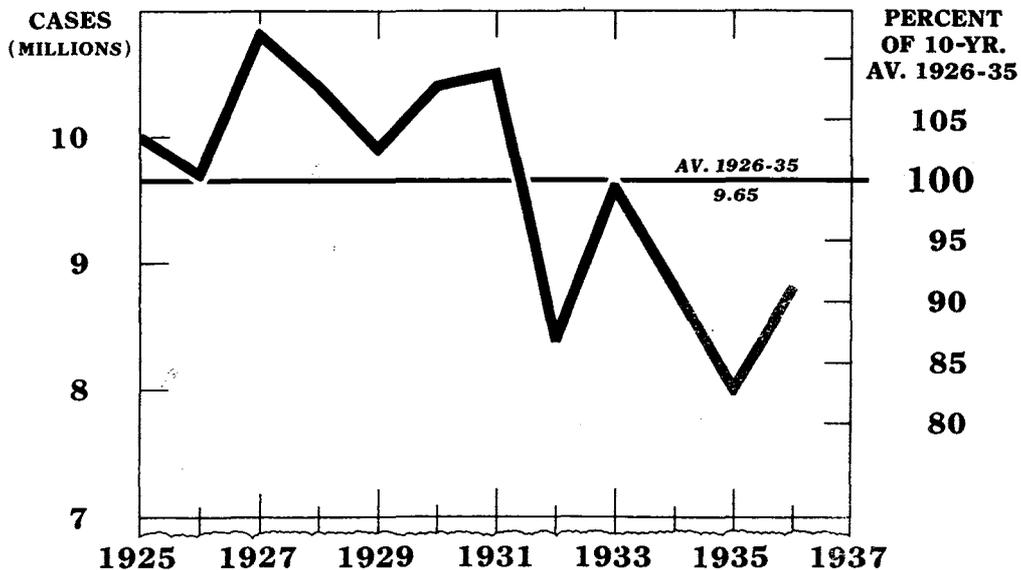


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FIGURE 3.- THE AVERAGE NUMBER OF EGGS LAID PER FARM FLOCK HAS DECLINED THROUGHOUT MOST OF THIS PERIOD REFLECTING A DECLINE IN NUMBER OF CHICKENS KEPT FOR LAYERS BY FARMERS AS A RESULT OF LOW PRICES DURING THE DEPRESSION.

Egg Receipts at 4 Markets, Cumulative Total, January-June, 1925-36



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FIGURE 4.- EGG RECEIPTS AT FOUR MARKETS HAVE LARGELY REFLECTED THE CHANGE IN AVERAGE PRODUCTION BY FARM FLOCKS.

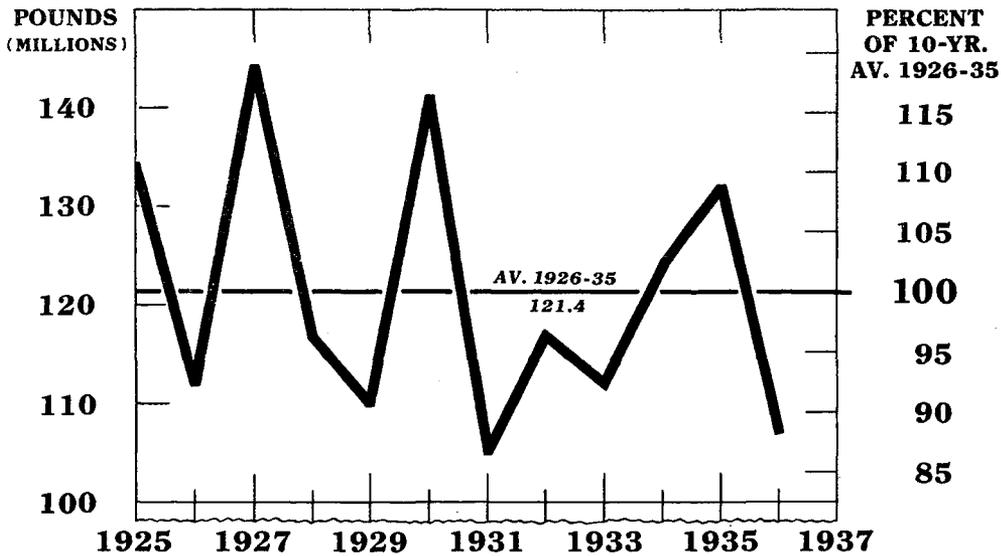
Eggs: Number per farm flock on the first day of each month, sum of 6 layings, January to June, inclusive, by geographical divisions, 1931-36

Division	1931	1932	1933	1934	1935	1936
	<u>Eggs</u>	<u>Eggs</u>	<u>Eggs</u>	<u>Eggs</u>	<u>Eggs</u>	<u>Eggs</u>
North Atlantic...	232	237	239	234	235	244
North Central....	268	251	257	247	225	231
South Atlantic...	127	132	127	119	118	118
South Central....	142	143	139	129	118	123
Western.....	194	184	173	185	170	177
United States....	196	190	189	181	168	173

Eggs: Receipts at 5 markets, January to June, inclusive, 1931-36

Market	1931	1932	1933	1934	1935	1936
	<u>1,000 cases</u>					
New York.....	4,983	4,081	4,518	4,023	3,701	4,263
Chicago.....	3,367	2,537	3,363	3,109	2,804	3,062
Boston.....	1,090	937	858	838	752	775
Philadelphia....	1,046	872	901	847	713	719
Total 4 markets..	10,486	8,427	9,640	8,817	7,970	8,819
San Francisco....	426	416	396	411	459	515

Total Frozen Poultry in Cold Storage in United States, Jan. 1, 1925-36

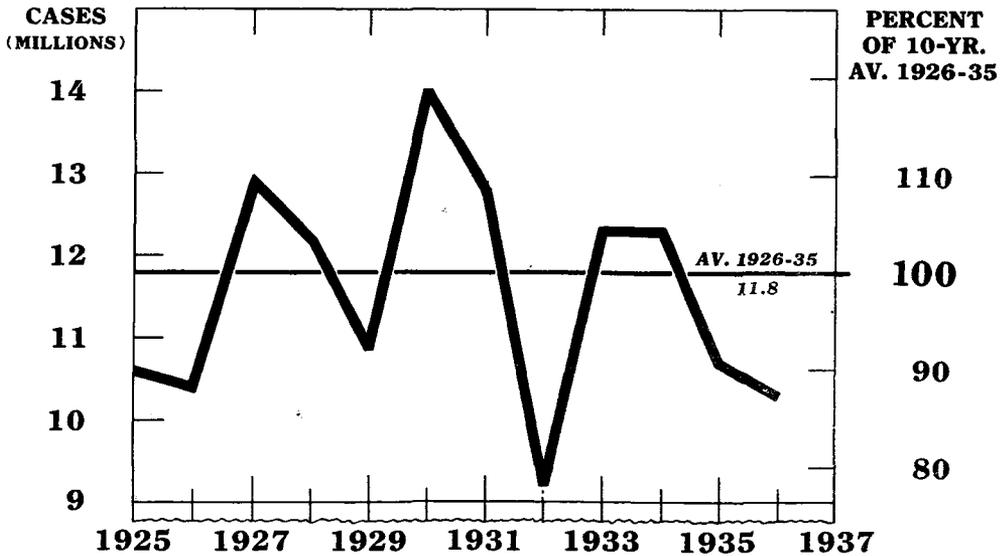


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FIGURE 5.- THERE HAS BEEN A TENDENCY FOR STOCKS OF FROZEN POULTRY TO DECLINE DURING THE PERIOD 1925-36. THIS IS PARTLY THE RESULT OF DECLINING PRODUCTION.

Total Eggs (Shell and Frozen) in Cold Storage in United States, July 1, 1925-35



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FIGURE 6.- THE LEVEL OF STORAGE HOLDINGS OF EGGS HAS NOT CHANGED MATERIALLY IN THE PERIOD 1925-36. THE STOCKS FOR SUCCESSIVE YEARS VARY WIDELY, HOWEVER.

Eggs: Shell and frozen in cold storage, stocks on hand
July 1 and August 1, 1931-36

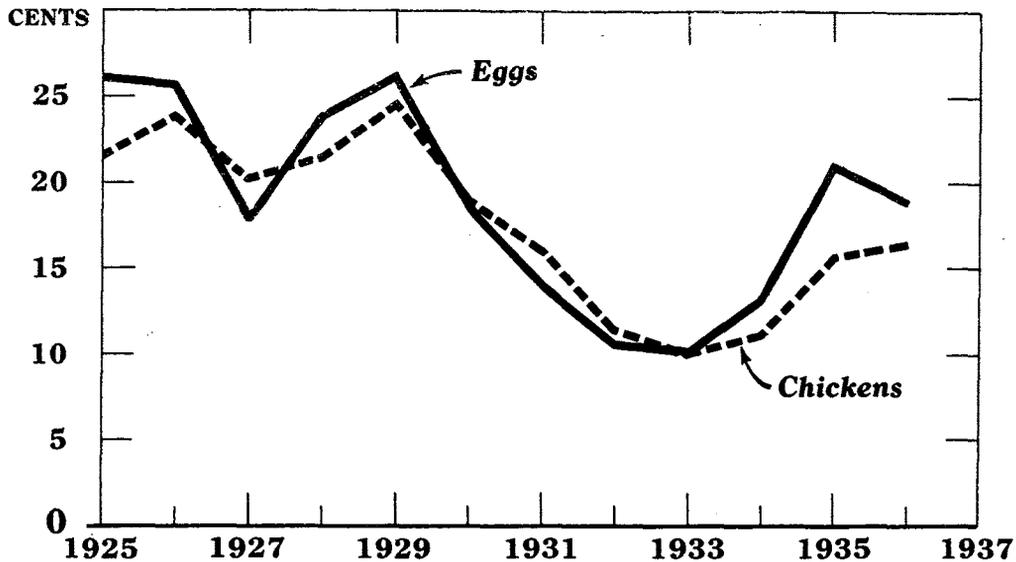
Year	July 1			August 1		
	Shell 1,000 cases	Frozen 1/ 1,000 cases	Total 1,000 cases	Shell 1,000 cases	Frozen 1/ 1,000 cases	Total 1,000 cases
1931.....	9,507	3,243	12,750	9,504	3,277	12,781
1932.....	6,339	2,871	9,210	6,431	2,832	9,263
1933.....	9,364	2,943	12,307	9,507	3,076	12,583
1934.....	8,965	3,316	12,281	8,961	3,473	12,434
1935.....	7,595	3,084	10,679	7,947	3,322	11,269
1936.....	7,061	3,198	10,259			

1/ Case egg equivalent 35 pounds per case.

Poultry, frozen: Stocks in cold storage on January 1 and
July 1, 1931-36

Year	Stocks on hand, Jan. 1	Stocks on hand, July 1
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
1931.....	104,913	32,762
1932.....	116,700	36,661
1933.....	111,642	42,705
1934.....	123,503	40,609
1935.....	132,001	47,051
1936.....	107,389	42,918

Prices Received by Farmers for Eggs and Chickens on June 15, 1925-36



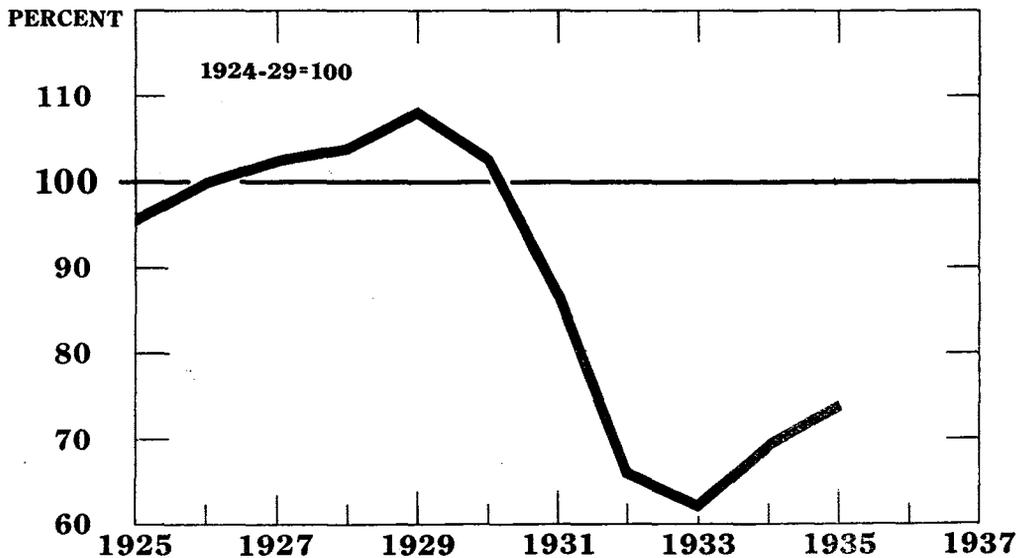
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FIGURE 7.- PRICES RECEIVED BY PRODUCERS FOR EGGS AND CHICKENS HAVE FOLLOWED A SIMILAR COURSE SINCE 1925 BUT SINCE 1933 EGG PRICES HAVE ADVANCED FASTER THAN THOSE FOR CHICKEN.

Index of National Income Excluding Agricultural Income, June 1925-35



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FIGURE 8.- THE CHANGE IN THE NON-AGRICULTURAL NATIONAL INCOME IS A VERY IMPORTANT FACTOR IN THE PRICE OF EGGS AND CHICKENS SINCE IT IS TO A LARGE EXTENT THE PURCHASING POWER OF THE POULTRY AND EGG CONSUMERS.

Eggs: Price per dozen received by farmers on June 15 by
geographical divisions, 1931-36

Division	1931	1932	1933	1934	1935	1936
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
New England.....	25.2	21.2	19.4	23.9	30.6	29.6
North Atlantic....	19.0	15.4	14.7	17.8	25.4	23.1
East North Central	13.8	9.8	8.8	12.3	20.5	18.4
West North Central	11.3	7.8	7.3	10.5	19.2	17.2
South Atlantic....	17.4	12.9	11.9	15.6	21.3	20.1
East South Central	14.6	10.0	8.4	12.5	18.7	17.1
West South Central	12.0	7.6	7.8	11.1	18.8	15.8
Mountain.....	13.0	11.0	11.4	12.6	21.4	18.6
Pacific.....	15.2	13.3	14.8	15.9	23.2	20.0
United States.....	14.1	10.6	10.1	13.2	21.0	18.9

Chickens: Price per pound received by farmers on June 15 by
geographical divisions, 1931-36

Division	1931	1932	1933	1934	1935	1936
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
New England.....	23.3	18.0	14.5	16.1	19.3	19.8
North Atlantic....	20.4	16.4	13.5	15.1	19.0	19.9
East North Central	15.9	11.2	9.2	10.8	15.7	16.9
West North Central	13.8	8.7	7.9	8.8	13.7	14.5
South Atlantic....	19.9	14.8	12.8	14.6	17.9	18.7
East South Central	16.1	10.9	9.4	11.1	15.1	15.9
West South Central	14.3	8.9	8.5	8.9	13.8	14.2
Mountain.....	13.7	10.7	9.8	9.7	14.2	15.0
Pacific.....	17.5	12.9	12.6	13.8	16.4	16.6
United States.....	16.1	11.4	10.0	11.2	15.6	16.4