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MIDSUMMER POULTRY AND EGG OUTLOOK, JULY 1933

A larger supply of poultry for market is anticipated this season but the actual increase may not be so great as the increase in the number of chickens now being raised would suggest, as the birds may be marketed at lower average weights than usual owing to the higher feed costs. Present heavier storage stocks of dressed poultry and larger receipts from the farms will tend to prevent poultry prices from showing much improvement. However, if the increase in payrolls which has occurred during the past three months should continue, consumer demand for poultry products would be favorably influenced.

The supply of fresh eggs during the coming fall and winter is likely to exceed that of last year by a small amount but will probably be less than the average supply. Early fall marketings will probably be less than last year. However, there is at present a large supply of eggs in cold storage (about 4 percent greater than the 5-year average, and about 35 percent in excess of the extremely small stocks of last year) which must be utilized during the coming fall and winter months. These storage eggs will exert a depressing effect upon egg prices.

The number of hens and pullets in farm flocks on July 1 was practically the same as last year, but the number of young chickens in farm flocks was 3 percent greater than a year ago. The probable number of layers in farm flocks during the coming fall and winter appears now to depend mainly upon whether the heavy marketings of laying stock, which have accompanied the rise in the price of feed and the lag in the rise of egg prices, will continue long enough to wipe out the gain in the number of chickens raised.

The prospective large supply of pork and other meats during the next six or eight months, due to expected heavy marketings of meat animals because of feed shortage brought about by drought conditions, may be a factor in limiting the demand for poultry and eggs. Farm prices of chickens and eggs have not shared in the increases that have occurred to date in the prices of most agricultural commodities and in the prices of poultry feedstuffs, and the price outlook from the standpoint of supplies is not encouraging to poultry and egg producers.

HENS IN FARM FLOCKS

The number of hens and pullets per farm flock on July 1 this year was practically the same as on July 1 last year but was about 2 percent less than in 1931 and 7 percent less than the July 1 average for the 5 years 1927 to 1931. In the Northern States the number is slightly greater than last year but in the South and West it is smaller. The number on hand June 1 was about 3 percent greater than a year earlier but the gain was entirely lost through the heavy marketings of hens during June. Marketings had continued heavy up to July 15 and it appears that the number of hens saved over will be materially less this year than last.

COMMERCIAL BABY CHICK PRODUCTION

The production of baby chicks by commercial hatcheries during the first half of 1933 was about 8 percent greater than the production during the corresponding period of 1932. Early hatchings were smaller than last year but in April, May, and June they were materially larger. This indicates that a larger number of pullets can be kept for egg production next fall than a year ago, but as the average hatchings were late, unless growing conditions are

unusually favorable, pullets will begin laying at a later date than last year. It is possible that the large proportion of baby chicks toward the close of the hatching season was due to a greater interest in late broilers, as broilers prices have held relatively higher than the price for other dressed poultry classes all through the year.

The output of baby chicks by commercial hatcheries in the Pacific Coast States this year was practically equal to that of a year ago, and that of the Mountain States was about 20 percent larger. Hatchings throughout the grain belt of the Middle West were also considerably above those of last year. Increased production was likewise reported for the commercial egg producing areas of the New England States and the Middle Atlantic States, but here the increases were not quite so large as in the egg-producing sections of the Middle West.

YOUNG CHICKENS ON FARMS

Early hatchings were light this year. The number of chickens of this year's hatching in farm flocks April 1 was less than on that date last year, but in May and June numbers were about 6 percent more. During July a part of this gain was lost. On July 1 numbers were 3 percent more than last year, 9 percent more than in 1931, and 2 percent above the 5-year average for that date. Present numbers are, however, about 2 percent less than in 1930 and 4 percent less than the high point in 1927.

The number of young birds in the North Central States, which furnish ordinarily from 2/3 to 3/4 of the market poultry shipped to the New York, Boston, Philadelphia, and Chicago markets, was about 7 percent greater this year than last. The North Atlantic and Far Western States, which are important from an egg production standpoint, show increases of about 3 percent and 20 percent, respectively, the South Central States a decrease of about 6 percent, and the South Atlantic a decrease of about 10 percent.

FEED SUPPLIES

It is too early to arrive at accurate figures on production of feed grains this year, but it is evident that supplies will be short. The indicated production of corn and other grain crops, based upon the estimated acres planted and on growing conditions on July 1, is the smallest for many years and 4 percent less than in the drought year 1930. The indicated corn crop is about 17 percent less, oats 43 percent less, and wheat 32 percent less, than produced last year; and corn is about 5 percent below and oats about 41 percent below their 5-year averages. In relation to livestock numbers on January 1, the indicated production of feed grain is the smallest since 1901. Allowing for the large carry-over of corn and oats from last year, and for a minimum carry-over into next year, and for the fact that much less wheat will be fed this year, the total supply of grain available for feed will be about the same or slightly less than in 1930 but about 17 percent less than last year per animal unit, and about 10 percent less than the average of the past 7 years per animal unit.

MARKET POULTRY RECEIPTS

Receipts of dressed poultry at the four principal markets, for the first six months of 1933, were about 10 percent larger than the receipts for the same months in 1932. Part of this increase was due to heavy shipments of turkeys in January, especially from the turkey growing sections of the Central States. Substantial increases in the receipts of other classes of poultry from these regions occurred during the late spring and early summer. Receipts of dressed poultry from the Pacific Coast and Mountain States were very light. Receipts of live poultry at New York and Chicago were about 8 percent smaller than last year, offsetting to a partial extent the increase in the receipts of dressed stock.

STOCKS OF DRESSED POULTRY

The peak holdings of dressed poultry for the into-storage season ending January 1, 1933 was 111,638,000 pounds compared with 116,700,000 pounds on January 1, 1932 and 117,902,000 pounds for the January 1, 5-year average. Broilers were about 5,000,000 pounds lighter than a year earlier, but fryers, roasters, fowl, and turkeys were heavier. Stocks moved out of storage at a normal seasonal rate through the months of January to May, but in June began to increase in contrast to the usual continued seasonal decline. On July 1, 1933 the stocks of poultry in storage amounted to 42,756,000 pounds, a gain of about 4,500,000 pounds over holdings of June 1, compared with a 5-year average decrease of about 5,000,000 pounds for that period. Increased holdings over a year ago were shown for all classes, except ducks, with stocks of fowl being almost twice as large. During the last two years the storing of poultry has proved profitable, and this year a very good speculative demand has appeared at the very beginning of the season. The expectation of a higher price level for all commodities next fall and winter is also tending to stimulate storing at the present time at current prices.

CONSUMPTION OF POULTRY

The urban consumption of dressed poultry during the early part of 1933 was about 4.8 percent larger than the consumption during the same period last year, as indicated by the trade output reported for the four principal markets. Consumption apparently was very heavy in January, when an increase of 19.2 percent over January a year ago was registered. Receipts of turkeys were particularly large in that month, and as stocks of turkeys in storage were already above those of the preceding year, every effort was made to increase current consumption to prevent too great an additional accumulation of stocks. Poultry consumption was slightly irregular for the remainder of the period, but for the most part was above the level of 1932 for corresponding months.

SUMMER AND FALL POULTRY MARKETINGS

As the supply of young chickens is about 7 percent larger than a year ago in the North Central States, which is the principal production area of market poultry, there will be considerably more birds to be marketed this fall. The price of chickens on June 15 stood at a record low figure for that date while feed prices have increased substantially during recent months. Should this condition continue, the average weight of birds marketed is likely to be less than last year when relatively cheap feed encouraged long and liberal feeding. The total tonnage of poultry marketed, therefore, may not be relatively so large as the increase in the number of chickens would tend to indicate. The marketings of poultry always include some pullets. The proportion of pullets marketed this summer and autumn will depend mainly on the relation of egg prices to feed and poultry prices.

EGG PRODUCTION

The number of eggs laid per hen on the first day of each month from January to July, has averaged 3 to 4 percent less this year than the record figures of 1931 and 1932 but was 1 percent more than the average for these months for the preceding 5 years. The low prices of eggs prevailing in recent months and the increased price of feed have given little encouragement to liberal feeding. The total production of eggs per hen for the year seems likely to fall below, rather than to exceed the 5-year average. The layings per hen in 1931 and 1932 when feed was cheap and the seasons favorable exceeded the average by about 6 percent and 3 percent respectively.

Total farm production of eggs, as indicated by aggregate layings per farm flock on the first day of each month from January to July, was about 2.5 percent less this year than for the same months last year. The larger number of hens in the early months was more than offset by the smaller production per hen.

The decrease in farm production of eggs during the first half of the year occurred in the South and West where the loss was about 5 percent. Owing to the material reduction in size and number of commercial poultry flocks in the Pacific Coast States, the decrease in egg production there was probably greater than the figures for farm flocks indicate. Egg production in the North Atlantic States showed a 1 percent increase and may have been somewhat larger than indicated by these returns for farm flocks.

MARKET EGG RECEIPTS

Receipts of eggs at the principal terminal markets through June this year were about 14.0 percent larger than the receipts of the same period a year ago. They were substantially heavier in all months except February, when cold weather and heavy snows throughout the principal egg-producing areas not only slowed up production but interfered seriously with country collections and market shipments. Receipts in this month were approximately 8.3 percent smaller than the receipts during February, 1932. For the first half of 1933 increased receipts were general for all areas with the exception of the Mountain and Pacific Coast States; the Mountain States registered a decrease of 36 percent to the end of May and the Pacific Coast States 16 percent. This is ^{the} third successive year in which egg receipts from the Far West at the principal markets have shown a decrease under those of the preceding year.

STORAGE STOCKS OF EGGS

It was generally expected that the substantial profits made on eggs stored in the spring of 1932 would be an incentive to larger storings in 1933. The low point in storage stocks for this year was reached on February 1 when 76,000 cases were in storage. Eggs began to go into storage in late February under an early demand, and as the season advanced stocks piled up more rapidly than they did a year ago. On July 1, shell eggs in storage had reached a total of 9,336,000 cases compared with 6,339,000 cases on July 1 last year, and 9,020,000 cases for the 5-year July 1 average. The stocks of frozen eggs also increased much more rapidly than a year ago, amounting to 62,794,000 pounds stored during the months of March to June, inclusive, compared with 32,461,000 pounds stored during the same months last year. The combined stocks of shell eggs and frozen eggs in storage on July 1 this year equalled 12,313,000 cases of shell eggs compared with 9,210,000 cases on July 1 last year and 11,829,000 cases for the 5-year average. Ordinarily, the peak holdings of eggs in storage occurs about August 1. It is not probable that the peak holdings for this year will equal the record high established in 1930 but they will exceed those of last year by an ample margin and also those of the 5-year average.

URBAN CONSUMPTION OF EGGS

Based upon the apparent trade output of the four markets during the first half of 1933, the urban consumption of eggs for that period was apparently 17.5 percent smaller than during the same period last year.

The failure of retail prices to drop as rapidly as did wholesale prices early in the year when receipts of fresh eggs increased more rapidly than the markets could absorb them at existing price levels, and the further restricted consumers' purchasing power, are held to be responsible for this decline in consumption. Also during the opening months of the into-storage season, the widespread demand for eggs to store on speculation held prices slightly above the point where a liberal consumption would be stimulated. Later in the season, however, when the rapidly mounting storage stocks gave rise to a more cautious storing policy, current consumption was expanded through lower prices, and the margin of decrease under last year's level gradually narrowed.

FALL AND WINTER PRODUCTION OF EGGS

With the number of hens slightly smaller than last year on July 1, and with the heavy marketings of hens during June continuing well into July, the production of eggs during the early fall will probably be less than in that period last year. Unless marketings of hens and pullets should continue rather heavy during the remainder of the summer, production of eggs in the late fall and winter after the increased number of pullets come into laying should be somewhat greater than last season, even assuming a somewhat lowered production of eggs per layer owing to higher priced feed.

Town flocks (backyard flocks) are probably more numerous than at any previous period in our history. While these contribute a substantial quantity to the urban supply, it is unlikely that the increase in any one year has a very material effect on price changes.

POULTRY AND EGG PRICES

Poultry and egg prices have not advanced in line with general commodity prices during recent months. The farm price of eggs reached its lowest point of 10.1 cents on March 15, from which it rose in April and May, but in June it again declined to the level reached in March. The farm price of chickens also reached its lowest point in March and after rising in April and May declined again in June, but not to the low level of March. The retail price of dressed fowl was practically unchanged throughout the first six months of 1933, although the wholesale price of fresh-dressed fowl at New York City advanced more than 1 cent a pound from March through April and May.

The fact that prices for poultry and eggs have not participated in the upward movement in commodity prices is more clearly disclosed by the relationships of current prices to those of a year ago. The index of wholesale prices of farm products for May 1933, in terms of a pre-war base was 70.4, which was a higher average than for any month in 1932. Similarly, the index of wholesale food prices for May 1933, was 92.1, which was the high point of the present year and higher than for either May or June of 1932, although slightly lower than for the other months of last year.

Index numbers of commodity prices for June also indicated generally rising prices for the major groups of agricultural commodities as compared to June prices in 1932, particularly for the grains and cotton.

Contrasted with these increases, the farm price of eggs during 1933 and the retail and wholesale prices have been consistently somewhat lower than for the same months in 1932. Farm prices of poultry during the first half of 1933 also have been consistently lower than for the same period in 1933.

Higher grain prices, together with the lag in poultry and egg prices have tended to curtail some of the expansion of poultry flocks which occurred earlier in the season. In considering the trend of prices of poultry products in comparison with that of other farm products, it is necessary to remember that, although poultry prices reached record low levels, they did not fall as much as feed prices; moreover, no condition of greatly reduced production or other special reason such as have contributed to a sharp increase in prices of certain other commodities, has existed to cause a price rise in poultry products. The very factor -- unfavorable growing conditions due to drought -- which contributed to the price increase in the grains also may cause increased marketings of swine and other meat animals. Should this occur, the resulting large supplies of meat during the next six or eight months would provide added competition for poultry products.

If the expansion during the past few months in employment and payrolls continues it will increase the buying power of consumers and have a sustaining influence on poultry and egg prices.