Poultry and Egg Outlook for 1933-34

The number of hens and pullets of laying age on farms October 1, 1933 was about 1 percent smaller than in 1932, and a production of eggs this fall and winter somewhat smaller than last season appears probable, because of late maturity of pullets and less abundant supplies of feed.

It is too early to anticipate the production of eggs in the spring of 1934 with any assurance but with the total numbers of potential layers, including pullets not yet of laying age, about 1 percent greater than last year, no very material change in the spring production of 1934 from that of 1933 appears probable, since the rate of layings during the peak months of production varies little from year to year.

The number of chickens that will be hatched next spring will depend mainly upon the prices received for poultry products, upon their relation to feed costs during the winter and spring, and upon the outlook at hatching time. Uncertainties are so many this fall that poultrymen cannot decide definitely now on their spring hatching program.

Improvement in prices of chickens above the normal seasonal trends during the fall and winter of 1933-34 appears improbable because of heavy stocks of chickens, and a crop of turkeys almost as large as last year. Assuming that decreases in slaughter of hogs and sheep will be balanced by increased slaughter of cattle, any competition from the supply of these meats will probably be about as great as last winter. The anticipated improved demand for poultry and eggs as well as for meats that would result from further employment and improved buying power of consumers is a helpful factor in the poultry marketing situation. The net effect of these various influences, and of future developments in the Government marketing and relief policies affecting poultry, cannot be anticipated at this time.

Although the number of chickens hatched in 1933 was larger than in 1932 very heavy marketings reduced the number of all chickens in farm flocks so that on October 1 it was less than 1 percent above numbers on that date in 1932. Although the heavy marketings resulted in much larger stocks of poultry in cold storage than last year and slightly larger than the 5-year average for October, farm marketings of chickens during the remainder of the fall and winter appear likely to be about the same as those of last year.

The very favorable relation during the fall and winter of 1932-33 of prices of eggs and chickens to prices of feed, compared with their prewar relation, led to increased hatchings this year. The decided spring rise in feed prices, with egg and chicken prices at their lowest levels in more than a generation, brought about an unfavorable relationship between prices of poultry products and prices of feed and was followed by heavy marketings of hens and broilers and smaller production of eggs. The more than seasonal rise in egg prices during the summer, with some decline in feed prices after July had brought farm egg prices by October 15 back to slightly better than their post-war and distinctly above prewar relation to feed prices. Although chicken prices continued their seasonal decline their relation to feed prices on October 15 was also above the prewar relation, but considerably below their average relation to feed prices for the post-war period. If this improvement in the relationship of egg and chicken prices to feed prices should be maintained or bettered it will assist to maintain the production of eggs this winter.

NUMBER OF LAYERS, FALL OF 1933

The total number of hens and pullets of all ages on hand in farm flocks on October 1 was only about 1 percent greater in 1933 than in 1932. In the North Central States, which lead in poultry production, the increase was a little over 1 percent; in the Far Western States the increase was about 9 percent. The South Atlantic States showed a 6 percent decrease. Changes elsewhere were fractional.

The number of mature hens on hand was about 0.6 percent less than in 1932. The number of pullets hatched in 1933 that had reached laying age on October 1 was about 2 percent less than the number of such pullets a year earlier. The number of pullets not yet of laying age was about 5 percent greater and the number of all pullets about 2.4 percent greater than last year.

Although prices of poultry products have been low most of the time during the last two years, prices of feed for poultry have been relatively much lower. Under these conditions, producers in the Central and Eastern States who were favorably located with reference to feed supplies and markets, enjoyed a greater advantage than western producers less favorably located. West Coast producers having adjusted themselves so far as possible to the new conditions, by forced liquidation in some cases and severe loss to former operators, would now be in position to benefit by any material rise in egg prices, inasmuch as fixed charges would absorb less of the rising prices. The number of layers reported for that section in October shows a material increase this year. The relatively very favorable returns to poultrymen preceding the hatching season of 1933 led to an increase of about 6 percent in the number of chicks hatched in 1933 over numbers in 1932. Before the hatching season was over the sharp rise in feed prices had reversed the relation between the prices of feed and poultry products, making it unfavorable to poultrymen. This led to a very heavy marketing of both hens and young chickens in June and July, continuing in heavier volume than last year up to October. Although many more young chickens were disposed of during the summer of 1933 than in 1932, they were evidently sold at an earlier age and at lighter weights. The receipts of young stock at central packing plants in terms of pounds were heavier in June and July, but they were from 10 to 30 percent less through August and up to mid-October of 1933 than in 1932. As a result of the large marketings, the material increase in numbers of laying stock that should normally have followed the increased hatchings amounted to only 1 percent on October 1 and the supply of young chickens other than layers was about 1 percent less.

The data given on number of poultry and production of poultry products is based almost wholly upon the indication derived from the monthly returns representing farm flocks, which group accounts, however, for over 80 percent of the eggs produced. To what extent they might be modified by full information concerning the situation of commercial producers cannot be stated. In a general way, the situation would affect both types of producers similarly, although commercial producers would feel the increases in prices of feedstuffs more acutely. However, general information indicates that birds in commercial flocks increased this year in the North Atlantic and Far Western States more rapidly than those in Farm flocks. No adequate information exists concerning the assumed increase during the past two or three years in the number of small flocks in the towns and on tenant farms. Such flocks are kept mainly for home supplies. Any decrease in demand on usual sources of supply resulting from them would be much less than their production, because many of their owners would buy relatively few poultry products.

COMMERCIAL BABY-CHICK PRODUCTION

The production of baby chicks by commercial hatcheries during the hatchery season of 1933 was about 8 percent greater than the production during the corresponding period of 1932. Early hatchings were smaller but during the latter part of the hatching season they were materially larger. The large number of the baby chicks hatched toward the close of the hatching season was evidently the result of a greater interest in late broilers.

The output of baby chicks by commercial hatcheries in the Mountain and Pacific Coast States this year was approximately 12 percent larger than in 1932. To some extent this increase reflects a slight expansion in laying flocks in those States, but it is chiefly to replace old hens that have been carried in flocks from previous years. Hatchings throughout the grain belt of the Middle West were considerably above those of last year. Increases were reported for the commercial egg-producing areas of the New England States and the Middle Atlantic States, but they were not quite so large as for the egg-producing sections of the Middle West.

FEED SUPPLY

Allowing for wheat fed and to be fed, the present supply of feed grain is about 20 percent less per animal unit than the supply last year, 8 percent less than the average of the previous 5 years and 3 percent less than in the drought year, 1930. Grain supplies are relatively shortest in the Central States and are fairly abundant in most of the South. The supply of corn, the largest component of the poultry ration, is estimated to be about 15 percent less than in 1932 but 10 percent greater than in the drought year, 1930. Wheat supplies are smaller than in any recent year and probably much less wheat will be fed this year.

MARKET POULTRY RECEIPTS

Receipts of dressed poultry at the four principal markets, for the first 9 months of 1933, were about 14 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 later spring and early summer; this was particularly true of fowl and broilers in June and July. 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 7 percent smaller than last year, offsetting to a partial extent the increase in the receipts of dressed stock. Receipts of chickens during the fall and winter are expected to be about equal to last season but receipts of turkeys somewhat less.

STOCKS OF POULTRY IN COLD STORAGE

Total stocks of dressed poultry in storage began to increase as of July 1, instead of following a normal seasonal decline until about September 1. Many midsummer shipments of poultry were held on shippers' instructions at prices too high to move them into immediate consumption, and considerable stock of this nature was sent eventually to storage in the hope that these prices would be obtained at a later period. So far, however, prices have either held steady or on some classes worked seasonally lower.

Although speculative buying this fall has been relatively conservative, poultry in storage has tended to accumulate somewhat more rapidly than a year ago, principally to the account of receivers and shippers. On October 1 a total of 50,156,000 pounds of poultry was held in cold storage, an increase of 37 percent over the stocks in storage on October 1, 1932 and 2 percent over the 5-year average for that date. Increases amounted to about 50 percent for broilers and 175 percent for fowl. The heavy stocks of broilers and the substantial increase in the late commercial hatches of baby chicks for early fall-broiler production will discourage production of "hot house" broilers for the early winter markets.

Normally the peak for stocks of dressed poultry in storage is reached either in January or February. It is too early now to predict the quantity that will be in storage at the peak of the 1933-34 marketing season, but it appears reasonably certain that the stocks will be larger than the peak stock a year earlier, and probably also above the preceding 5-year average.

CONSUMPTION OF POULTRY

The urban consumption of dressed poultry during the first 9 months of 1933 was about 1.8 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, mainly because of a large movement of turkeys into consumption.

EGG PRODUCTION 1933

Although the year 1933 began with 4 percent more hens in laying flocks than was true the previous year, the hens were less productive this year than during 1931 and 1932 when cheap feed and favorable winter seasons resulted in the largest production per hen since the record was begun in 1925. The sharp decrease in the number of eggs laid per hen in September and October was most pronounced in the Central States.

The production of eggs per flock this year to October 1 was relatively greater than the rate of layings per hen because of a larger number of layers during the first half of the year. Aggregate layings per flock indicated by the monthly reports from January to October, which tend to reflect total production, were about 3 percent less than in 1932, 7 percent less than in 1931, and almost 5 percent below the average for the 5 years 1927 to 1931. After June the decrease in the production of eggs was more pronounced, running not only below the records of 1932 and 1931 but also decidedly below the 5-year average. A relatively low rate of laying and a smaller production of eggs than last year seems in prospect this fall and early winter, affected up or down to some extent by the character of the weather during that period. If the more favorable relation of egg prices to feed prices seen in September and October continues, this with the larger proportion of pullets in the flocks will tend to increase the relative rate of laying and bring production of eggs during the late winter up toward the level of last winter.

MARKET RECEIPTS OF EGGS

Receipts of eggs at the principal terminal markets through September this year were about 10 percent larger than the receipts for the same period a year ago. Receipts were heavy during the first 7 months. Following the heavy marketing of

hens in June and July, however, production began to drop sharply under that of the preceding year, and receipts of eggs at the four markets for August and September were 8 percent and 15 percent, respectively, less than those of the same months in 1932. Receipts also ran lighter than a year earlier during the early part of October, and present indications point to a continuation of the trend at least until the later hatched pullet crop of 1933 comes fully into laying. Particularly important in the geographical distribution of receipts according to origin is the fact that receipts this year were much heavier from the East and the Middle West, but very much lighter from the Mountain and Pacific Coast States. This is the third successive year in which egg receipts at the principal markets from the commercial producing areas of the Far West have shown a decrease under those of the preceding year. A larger production of commercially hatched baby chicks in both the Mountain and Pacific Coast States this year, however, indicate that laying flocks in those sections may be slightly expanded this fall; if so, shipments from the Far West in 1934 may surpass those of 1933.

The increase over last year in receipts of eggs at the principal terminal markets this year, notwithstanding a smaller farm production, is consistent with the fact that prices of eggs compared with feed prices during the first half of this year were relatively much better than last year when unsatisfactory prices at the terminal markets led to heavy farm consumption and to increased local disposal of eggs.

STOCKS OF EGGS IN COLD STORAGE

In view of the fact that eggs stored in 1932 were sold at prices considerably above the prices at which stored, it was generally expected that the quantity stored in 1933 would be considerably above the relatively small quantity stored in the preceding year. Eggs began to move into storage in late February, and as the season advanced stocks piled up much more rapidly than they did a year earlier. On August 1 shell eggs in storage mounted to 9,507,000 cases, an increase of about 48 percent over stocks of the same date a year earlier, but only about 2 percent above the 5-year average. Stocks of frozen eggs on August 1 were likewise larger, amounting to 107,660,000 pounds, about 8 percent heavier than on August 1, 1932, and 7 percent larger than the 5-year average. The combined stocks of shell eggs and frozen eggs in storage on August 1, this year, equalled 12,583,000 cases, an increase of about 35 percent over August 1, 1932, but only about 3 percent over the 5-year average. Following August 1, stocks began to move out of storage and into consumption. By October 1, the reduction had amounted to about 22 percent from the August 1 stocks compared to a reduction of about 24 percent to the same date last year. Although the supply of eggs in storage this year at its peak was much larger than for last year, the subsequent rate of reduction has been only slightly below that of a year ago. The sharp drop in egg production during late summer and early fall with a resulting greater than usual decline in the seasonal volume of fresh eggs received at the principal markets has made possible this relatively rapid rate of reduction from the season's peak.

Although storage stocks are large, if fresh egg production during the next few months does not increase more rapidly than now seems probable it is more than possible that the remaining stocks may be moved out of storage at prices that will cover original buying prices and carrying costs. Eggs are not being held with a great deal of confidence, however, as owners of storage eggs in general appear to be willing to accept almost any offer that will not mean impairment of original investment. On the other hand, some holders feel that even the present heavy stocks will be needed before the season is over, and are holding back in the

expectation that prices will be high enough later to permit them to make a profit. In either case, it does not seem likely that the present stocks will be entirely moved out of storage before late January or early February. Since it appears that many holders of storage eggs this year will not be able to show any net profits on this year's storage deal, the storage demand in the spring of 1934 will probably not be so strong as in 1933, and the quantity of eggs stored will probably be smaller.

CONSUMPTION OF EGGS

The urban consumption of eggs during the first 9 months of 1933 was apparently smaller than during the same period a year earlier, as evidenced by the trade output in the four leading markets which for these months showed a decrease of 11.8 percent. During the closing months of 1932 and the opening months of 1933 consumption was seriously checked by the relatively small supplies and the high prices. When supplies became more plentiful along in late February and early March, wholesale prices dropped sharply. Before sufficient time had elapsed for the lagging decrease in retail prices to become fully effective in increasing consumption, wholesale prices started upward once more under a strong storage demand. This had a tendency to check consumption again, and to hold it to a lower level than in the preceding year during the months of April, May, and June, as stocks piled up rapidly in storage. Eventually, however, the large stocks lessened the demand for eggs for storage. As prices fell in late summer, consumption began to pick up, and in July it exceeded by a slight margin the consumption of July 1932. Consumption was somewhat smaller in August but was larger again in September.

PRICES OF POULTRY AND EGGS

The farm price of chickens in March 1933 was 9.1 cents per pound, the lowest price on record since 1910. As usual, prices recovered slightly in midsummer and the July price was 10.4 cents per pound. By October the regular seasonal decline in prices was evident and the farm price was 9.3 cents per pound. Post-war chicken prices have remained at a higher level than have those of most other agricultural commodities. In 1933, however, part of this advantage to poultry producers disappeared, for chicken prices did not respond to advancing price levels to the same extent as did most other commodities. The index of chicken prices in October, compared with its October pre-war average, was approximately 79 as compared to 67 for grains, 62 for meat animals, 77 for dairy products, and 87 for eggs.

Heavy early marketings of poultry and the unusual seasonal accumulation of stocks of frozen poultry operated to depress poultry prices both on the farm and at New York City. Although the general level of prices rose rapidly after March in 1933, poultry prices during the 10 months from January to September showed no more than an average seasonal change.

The wholesale price of fresh dressed poultry in New York City was lower during the first 9 months of 1933 than during the same months of 1932, a condition which was about equally true of farm prices and prices at retail. Prices for fowl, however, showed a greater decline based on prices for last year than did those of the young poultry classes, and even at the lower prices, storage stocks of fowl accumulated rapidly during June and July because of unusually heavy farm marketings.

The farm price of eggs for the spring months of April, May, and June of 1933 averaged 10.7 cents per dozen as compared with 10.4 cents for the same months in 1932. The slightly higher prices in the spring of 1933 were largely to be explained on the basis of a rising level of prices and increased storage demand, since production was greater than during the same months in 1932. The rise in farm egg prices between Spring and Fall in 1933 was greater than would be expected on the basis of the average of such increases during the last 10 years. This rise in prices was largely due to a slowly rising price level and to sharply curtailed production after June. Prices have not risen as rapidly as in 1932, when storage stocks were much smaller.

During the early spring of 1933, feed prices were low as compared with prices for eggs, and egg production was stimulated. Between May and July, however, grain prices advanced over 50 percent, while egg prices advanced only about 10 percent. This rise in feed prices reduced the advantage in poultry and egg production with the result that fowl and broilers were sent to market in large volume and egg production was materially lowered. After July, egg prices continued to rise more rapidly than indicated by an average seasonal trend while feed prices gradually declined with the result that by September feed and egg prices were more normally adjusted to each other and the early fall movement of poultry to market was at a more nearly normal rate.