

# THE *Poultry and Egg* SITUATION

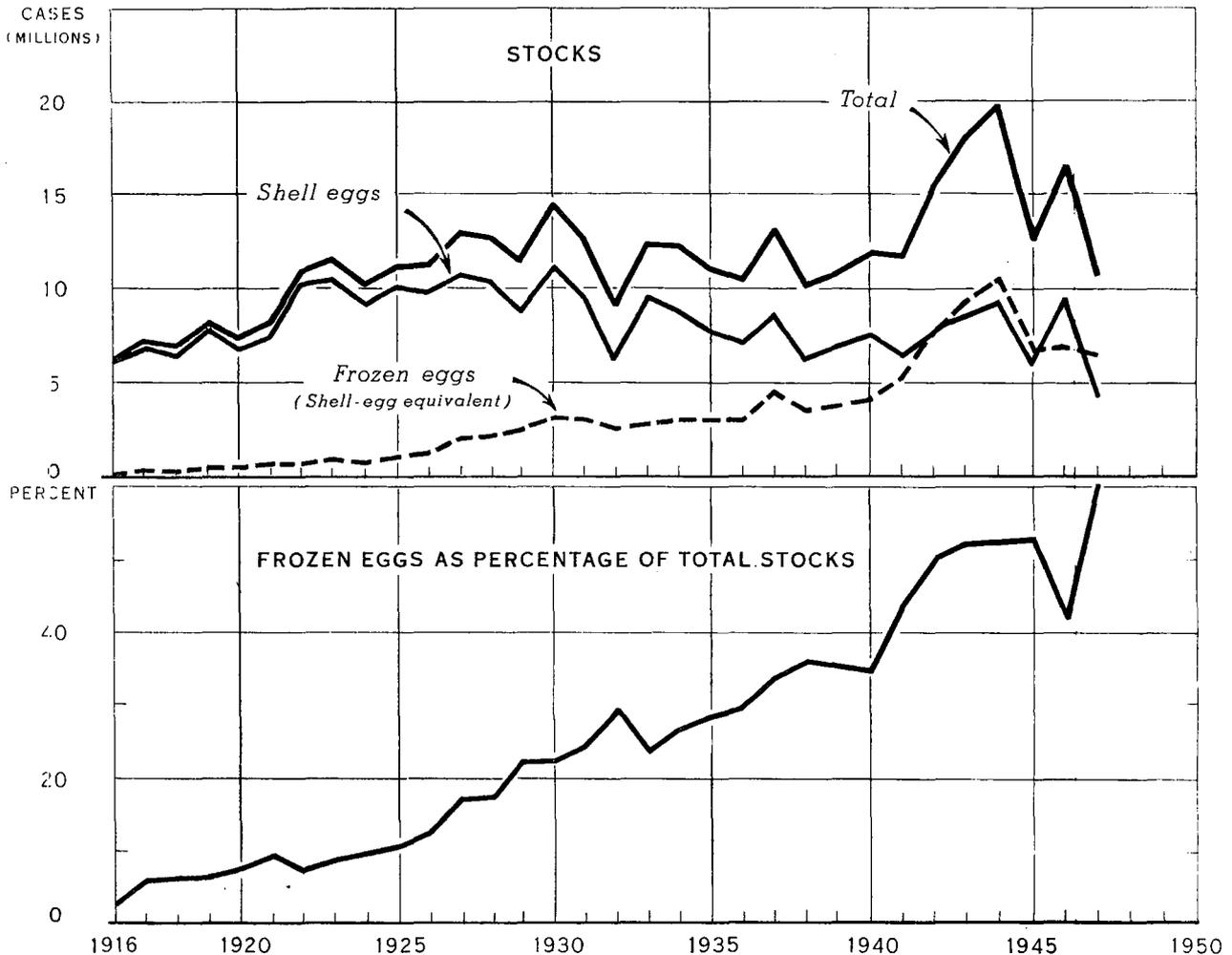
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

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AUGUST - SEPTEMBER 1947

COLD-STORAGE STOCKS OF EGGS, AND FROZEN EGGS AS PERCENTAGE OF TOTAL, UNITED STATES, AUGUST 1, 1916-47



Total stocks of shell and frozen eggs on August 1, 1947 were not much different from those of the 1930's. But there was a distinct difference in composition with holdings of shell eggs the smallest on record.

The long-time upward trend in stocks of frozen eggs as a percentage total reflects increased use of frozen eggs by the processed food industry, and also a changed seasonal pattern of fresh egg production which has lessened the need for storing shell eggs. In addition, during the war years off-season drying was a factor in larger stocks of frozen eggs.

Item	Unit	Average			Average			Comments about 1947	
		Month	1936-45	1946	1947	Month	1936-45		1946
<b>Eggs</b>									
Farm production	:Mil.doz.	:June	369.2	423.7	433.5	:July	315.9	357.0	378.2
Average number of layers on farms	:Million	:"	296.5	329.0	324.4	:"	279.2	306.0	307.0
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
Rate of lay per hen	:Number	:June	14.9	15.5	16.0	:July	13.5	14.0	14.8
Apparent civilian per capita disappearance	:Number	:June	26.7	30.1	31.0	:July	27.6	30.3	31.7
Frozen egg production	:Mil.lb.	:"	---	47.7	50.1	:"	---	18.0	18.1
Dried egg production	: " "	:"	---	16.6	14.6	:"	---	13.9	9.3
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
Prices received by farmers	:Ct. per	:	:	:	:	:	:	:	:
	: doz.	:July	25.3	37.1	45.7	:Aug.	27.0	39.1	47.5
Prices received by farmers as a percentage of parity	:Percent	:July	90	90	98	:Aug.	89	88	93
Retail price (BAE)	:Ct. per	:June	34.0	45.8	58.5	:July	36.8	48.8	
	: doz.	:	:	:	:	:	:	:	:
Egg-feed ratio	:Lb. feed	:July	11.7	9.4	10.9	:Aug.	12.5	10.0	10.9
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
Stocks: 1/	:1,000	:	:	:	:	:	:	:	:
Shell	:cases	:June	7,704	9,871	4,203	:July	7,541	9,537	4,253
Frozen	:1,000	:	:	:	:	:	:	:	:
	:cases	:June	5,596	7,068	6,328	:July	5,847	6,936	6,440
Dried	:Mil.lb.	:"	---	8.0	43.8	:"	---	7.0	40.8
Chicks hatched	:Million	:"	104.6	66.8	87.0	:July	44.9	33.7	41.9
Potential layers on farms: 1/ 2/	:	:	:	:	:	:July	608.2	589.0	603.9
Pullets of laying age	:Million	:	:	:	:	:July	300.0	294.4	297.7
Pullets not of laying age	:"	:	:	:	:	:"	308.2	294.6	306.2
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
<b>Poultry</b>									
Prices received by farmers for chickens	:Ct. per	:	:	:	:	:	:	:	:
	: lb.	:July	18.7	29.4	28.1	:Aug.	18.7	27.6	26.9
Prices received by farmers as a percentage of parity	:Percent	:July	114	130	107	:Aug.	113	118	100
Retail price of chickens (BAE)	:Ct. per	:	:	:	:	:	:	:	:
Prices received by farmers for turkeys	: lb.	:June	33.7	44.8	50.0	:July	32.4	47.3	
	:Ct. per	:	:	:	:	:	:	:	:
	: lb.	:July	19.9	32.7	29.5	:Aug.	20.2	32.8	30.8
Stocks: 1/	:	:	:	:	:	:	:	:	:
Poultry, excluding turkeys	:Mil.lb.	:June	51.4	94.5	99.6	:July	59.5	115.4	116.3
Turkeys	:" "	@ "	22.8	79.4	71.6	:"	16.8	63.4	59.3
Chicken-feed ratio	:Lb. feed	:July	8.7	7.5	6.7	:Aug.	8.6	7.1	6.2
Turkey-feed ratio	:" "	:"	9.1	8.3	7.0	:"	9.2	8.4	7.1
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
Receipts of poultry at Central Western Primary Markets, per plant	:1,000	:	:	:	:	:	:	:	:
	: lb.	:June	15.5	18.3	15.5	:July	18.3	25.7	23.1
	:	:	:	:	:	:	:	:	:

1/ End of month.

2/ Average 1941-45.

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THE POULTRY AND EGG SITUATION  
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Approved by the Outlook and Situation Board, August 28, 1947

## SUMMARY

Farmers got about 42 cents per dozen for eggs in the first 8 months of this year, a new record and 7 cents above the same period of 1946. Since consumer income is expected to remain high and prices of red meats are likely to be near record, egg prices will continue above last year.

Differences in prices among regions have been exceptionally wide. Prices received by poultrymen in coastal areas have been particularly high because of the strong demand for top quality eggs.

Egg production per layer has been a record this year. Supplies will be moderately less in the next few months than in the same period of 1946. Production may be about the same but cold-storage stocks, particularly of shell eggs, are substantially below last year. On August 1, 4.3 million cases of shell eggs were in cold storage, 55 percent less than a year earlier.

The number of potential layers on farms August 1 was 604 million, 3 percent more than last year. Such a gain usually results in an increase over a year earlier in the laying flock the following January 1. This year, however, prospects for shorter feed supplies and substantially higher feed prices than last year may reduce or prevent the increase. Exceptions to the national trend are expected for the New England and Pacific regions. Because of lighter culling than in 1946, both probably will have more layers January 1, 1948 than a year earlier.

The number of turkeys raised in 1947 is estimated to be 16 percent below 1946 and 23 percent below the record high in 1945. However, consumption of turkey during the coming holiday season will not show a comparable decrease since into-storage movement is expected to be less. From September 1, 1946 to February 1, 1947 nearly 100 million pounds of turkeys went into cold storage. This exceeds by at least 40 million pounds any previous comparable period except September 1, 1945-January 30, 1946 when substantial quantities were stored for the armed forces.

(For release September 5, a. m.)

## OUTLOOK

Egg Prices Ahead of Last Year

Producers' egg prices have been at record highs this year due largely to

- (1) a strong domestic demand which partly results from record meat prices,
- (2) high support prices. Prices for the remainder of 1947 will be substantially higher than last year, and for that period may exceed all other years except 1919 and 1920. In addition to a continuation of a high level of consumer income, moderately smaller egg supplies and continuing high meat prices are likely to strengthen egg prices.

Domestic consumption in the first half of 1947 is estimated at approximately 210 eggs per person, a little higher than the 1945 record, and 7 percent above the first half of 1946. High meat prices contributed to record egg consumption. Retail prices of red meats were about 1/3 higher than they usually are in relation to egg prices.

The USDA is required to support egg prices at a minimum of 90 percent of parity until December 31, 1948 if funds are available. The Department has interpreted this as a commitment to support prices on an annual basis. That is, U. S. average prices may fall below the 90 percent of parity in any one month just so the average for the year equals or exceeds the minimum. The Department has been purchasing dried and frozen eggs since January. Purchases for price support have totaled the equivalent of about 5.5 million cases consisting of 62 million pounds frozen and 38 million pounds dried. In addition 38 million pounds of dried eggs or nearly 4 million cases shell egg equivalent, were purchased since the beginning of the year to fulfill contracts with the British Food Mission. In late July, the Department discontinued all price support purchases until further notice. Producers' prices for the first 7 months of 1947 reflected an average of 94 percent of parity.

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

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Tota.
	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	14.6	10.5						

From February through April egg breakers and driers who were selling to the USDA were required to pay an average price of 33 cents per dozen for all eggs bought. For May through July this was raised to 35 cents per dozen.

Farmers' Share of Consumers' Dollar  
Spent for Eggs Decreasing

Egg producers in mid-July received an average price of 45.7 cents per dozen, 8.6 cents above July 15, 1946. Since that time, wholesale prices for top quality eggs have increased seasonally but have declined for lower grades.

Retail prices averaged 58.5 cents per dozen in June, also a record for that month. The farmers' share of the consumers' dollar spent for eggs, however, has been less during each month of 1947 than the corresponding month of any of the previous 5 years except 1944. In June, farmers received 73 cents of every dollar spent by consumers' for eggs compared with 75 cents in 1946, and an average of 73 cents in 1935-39.

Potential Layers on Farms  
3 Percent Above Last Year

On August 1, 1947 the number of potential layers in U. S. flocks (hens, pullets, and pullets not of laying age) was 604 million, 3 percent more than August 1, 1946. Usually, such an increase results in a larger number of hens and pullets on farms the following January 1 than a year earlier. However, prospects for shorter supplies of feed and higher feed prices than in 1946 may reduce or prevent the increase. The increase in feed prices from the fall of 1946 to 1947 probably will be greater than the increase in egg prices. Hence, the egg-feed price ratio is likely to be less than last year. Egg prices in mid-July were 23 percent above 1946 while feed prices were 7 percent higher. The ratio was 10.9 about one-tenth above July 15, 1946.

Production of the four important feed grains (corn, oats, barley and sorghum grain) was estimated at 97 million tons in mid-August, 22 percent below 1946. Most of the reduction resulted from the 851 million bushel drop in the corn crop. Because of a larger carryover of corn than last year, feed supplies are not likely to decline as much as the reduction in production would indicate. The number of grain consuming animal units on January 1, 1948 is likely to be less than a year earlier. Supplies of feed grain concentrates per animal unit probably will be 17 percent below 1946, but close to the average of the past 10 years.

Shell Egg Stocks on August 1  
Record Low

Egg supplies for the remainder of 1947 are likely to be below last year. Production may be about the same but because of the exceptionally low stocks of shell eggs, about 5 percent fewer eggs will be available in the next few months than in the same period of 1946.

Stocks of shell eggs on August 1 totaled 4,253 thousand cases, about half of the extremely high holdings on August 1, 1946. Also, stocks of frozen eggs declined 7 percent below last year to 241.5 million pounds. Government holdings totaled 54 million pounds, compared with 6 million pounds on August 1, 1946. Commercial holdings were down 26 percent.

Total holdings of shell and frozen eggs on August 1, 1947 were equivalent to 10.7 million cases. This was not much different from 1933-41 when total cold-storage holdings of shell and frozen eggs ranged from 10.0 million cases to 12.4 million. However, there has been a distinct shift in the type of eggs held in cold storage in the past 3 decades. From 1917 to 1920 only about 6 percent of the eggs in storage were in frozen form. The proportion of frozen eggs in storage increased slowly from 1921 to 1930 and in 1930 was about 22 percent. Further increases occurred during the 1930's; and, by 1940, about 35 percent of the eggs in storage were frozen. During the war the proportion reached more than 50 percent because frozen eggs were placed in storage for later processing into dried form. Some decline occurred in 1946 but the trend this year again turned upward. This shift is due to greater use of frozen eggs by processing industries.

Table 2.-Cold storage holdings of eggs, and frozen eggs as a percentage of total, United States, August 1, 1916-44  
(Data for cover chart)

Year	Shell	Frozen	Shell and frozen	Frozen eggs as a percentage of total	Year	Shell	Frozen	Shell and frozen	Frozen eggs as a percentage of total
	cases	cases	cases	Percent		cases	cases	cases	Percent
1916	6,060	166	6,226	2.7	1932	6,431	2,715	9,146	29.7
1917	6,895	440	7,335	6.0	1933	9,507	2,950	12,457	23.7
1918	6,568	435	7,003	6.2	1934	8,961	3,286	12,247	26.8
1919	7,850	544	8,394	6.5	1935	7,947	3,143	11,090	28.3
1920	6,872	573	7,445	7.7	1936	7,335	3,121	10,456	29.8
1921	7,605	787	8,392	9.4	1937	8,718	4,450	13,168	33.8
1922	10,161	785	10,946	7.2	1938	6,411	3,609	10,020	36.0
1923	10,509	1,019	11,528	8.8	1939	7,024	3,850	10,874	35.4
1924	9,267	991	10,258	9.7	1940	7,784	4,132	11,916	34.7
1925	10,024	1,207	11,231	10.7	1941	6,641	5,203	11,844	43.9
1926	9,845	1,439	11,284	12.8	1942	7,642	7,747	15,389	50.3
1927	10,746	2,262	13,008	17.4	1943	8,578	9,365	17,943	52.2
1928	10,496	2,269	12,765	17.8	1944	9,351	10,361	19,712	52.6
1929	8,962	2,541	11,503	22.1	1945	5,926	6,631	12,557	52.8
1930	11,198	3,230	14,428	22.4	1946	9,537	6,936	16,473	42.1
1931	9,504	3,142	12,646	24.8	1947	4,253	6,440	10,693	60.2

### Turkey Crop 16 Percent Down

Preliminary estimates indicate nearly 35 million turkeys were raised in 1947 16 percent less than in 1946 and 23 percent less than the 1945 peak. The reduction was largely due to the relatively low prices at the end of the 1946-47 marketing season. After reaching a record of 41 cents per pound in mid-October, 1946 turkey prices declined sharply, and by mid-January were 31 cents a pounds, a reduction of 25 percent. However, turkey prices for the 1946-47 marketing season as a whole averaged 36 cents per pound and exceeded any previous year.

Turkey consumption for the coming holiday season will not be as much below 1946 as production because the into-storage movement this coming year is expected to be smaller than last. From September 1, 1946 to February 1, 1947 the into-storage movement of turkeys totaled 95 million pounds. This high level is not expected in 1947-48 since cold storage operations were not profitable during 1947. An unprofitable storage year is usually followed by a much smaller into-storage movement in the next year.

### Commercial Broiler Output Increasing

Despite less favorable feed-price relationships, commercial broiler growers apparently are increasing their output over 1946. In July when most hatchings are for meat purposes, output of baby chicks by commercial hatcheries was 24 percent above July 1946. Most of this increase occurred in the large broiler producing areas.

The poultry-feed price ratio in July was 11 percent below last year. Total supplies of chicken meat during the next few months will be increasing seasonally and may be about the same as in 1946. Prices are likely to show some seasonal decreases in the next few months.

## REGIONAL DEVELOPMENT

### BACKGROUND

In the spring and summer of 1946, supplies of food grains at ceiling prices were short of demand. As a result deficit feed grain producing areas were harder hit than the surplus areas. This was reflected in a much larger reduction in poultry numbers and a smaller output of eggs in the coastal areas than in the midwest.

### Potential Layers Increase Most In North Atlantic Regions

The number of potential layers on farms for the United States as a whole was 3 percent greater on August 1, 1947 than last August 1. There was a wide variation in changes from last year among regions. The North Atlantic states increased 20 percent while the South Atlantic and South Central states decreased about 5 percent. Little change occurred in the West North Central region, but the Western region increased 3 percent and the East North Central 6 percent.

On the basis of the number of potential layers on August 1, it appears that the size of laying flocks in the New England states will increase sharply in early 1948 compared with 1947. Moderate increases will probably occur in the West and East North Central states while little change or some decline is in prospect in the West and South Central states.

Probably more chicks were sexed this year than in any previous year and 11 percent more than in 1946. Most of the increases over 1946 occurred in the North Atlantic States.

Table 3.- Chickens raised, potential layers on farms August 1, 1946-47, and 1947 as a percentage of 1946

U. S. and Region	Chickens raised			Potential layers on farms, August 1		
	1946	1947 <sup>1/</sup>	1947 as a percentage of 1946	1946	1947 <sup>1/</sup>	1947 as a percentage of 1946
	<u>1,000</u>	<u>1,000</u>	<u>Percent</u>	<u>1,000</u>	<u>1,000</u>	<u>Percent</u>
No. Atlantic	92,029	95,259	104	77,001	92,031	120
E. N. Central	140,428	140,703	100	118,816	125,574	106
W. N. Central	214,733	215,248	100	183,149	182,442	100
S. Atlantic	80,288	76,801	96	56,105	53,330	95
S. Central	151,717	148,154	98	106,538	101,861	96
West.	60,497	65,882	109	47,405	48,652	103
U. S.	739,692	742,047	100	589,014	603,890	103

<sup>1/</sup> Preliminary.

#### Production Per Layer Increases

Farm egg production during July was 378 million dozen, 6 percent above last year. The average number of layers on farms was the same, but production per layer was 6 percent higher. From January through July this year, production was 3 billion dozen, or 2 percent below last year.

This year began with 8 percent fewer layers on farms than on January 1, 1946. By August, however, the number of layers was about the same. This was largely due to much heavier culling in the first half of 1946 because of the tight feed situation.

Production per layer this year has been a record and has averaged about 3 percent above 1946. Regionally, the sharpest increase in production per layer has occurred in the Central states and the West.

Table 4.-Eggs produced on farms, number per layer on hand, January to July 1946-47, and 1947 as a percentage of 1946

Region	Eggs produced				Eggs per layer			
	January-July				January-July			
	Average:			:1947 as a	Average:			:1947 as a
	:1936-45:	1946	: 1947	:percentage	:1936-45:	1946	: 1947	:percentage
			: of 1946				: of 1946	
	Million	Million	Million	Percent	Number	Number	Number	Percent
North Atlantic	: 4,534	6,231	6,371	102	109	116	117	101
East North Central	: 6,626	8,643	8,654	100	99	109	109	100
West North Central	: 8,737	13,243	13,133	99	95	108	111	103
South Atlantic	: 2,646	3,525	3,520	100	89	94	95	101
South Central	: 5,555	7,174	6,742	94	86	89	93	104
West	: 3,243	4,042	3,886	96	105	109	112	103
United States	:31,339	42,858	42,306	99	96	104	107	103

Regional Spreads of Egg Prices  
Very Wide

The demand for top quality eggs has been particularly strong this year, probably due to exceptionally high consumer income. Much wider than usual regional differences in prices prevailed. Prices of eggs from the deficit producing areas have been substantially higher in relation to the United States average than in any of the recent years. This was particularly evident in July when the spread between the United States average price and that of New England was 22-1/2 cents per dozen. The spreads for the Middle Atlantic and Pacific Regions were also wide.

Table 5.-Average farm price in July, 1935-39 average, and 1943-47, United States, and regional differential

Region	:1935-39	:	1943	:	1944	:	1945	:	1946	:	1947
	average	:		:		:		:		:	
	Cents		Cents		Cents		Cents		Cents		Cents
United States	: 19.5		36.3		31.2		37.9		37.1		45.7
New England	: 15.0		10.3		9.8		11.5		13.1		22.5
Middle Atlantic	: 6.4		6.6		5.7		9.0		10.6		12.7
East North Central	: -1.1		-1.2		-1.2		-1.6		-3.2		-2.4
West North Central	: -3.3		-2.9		-1.6		-4.8		-5.7		-7.3
South Atlantic	: 1.3		-0.4		0.0		4.1		6.3		3.8
East South Central	: -2.6		-3.4		-2.9		-1.9		-1.2		-3.7
West South Central	: -3.8		-4.0		-3.1		-4.7		-2.8		-6.6
Mountain	: 0.9		-1.8		-1.6		0.7		1.3		1.0
Pacific	: 2.9		3.8		3.7		5.4		6.4		11.0

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