

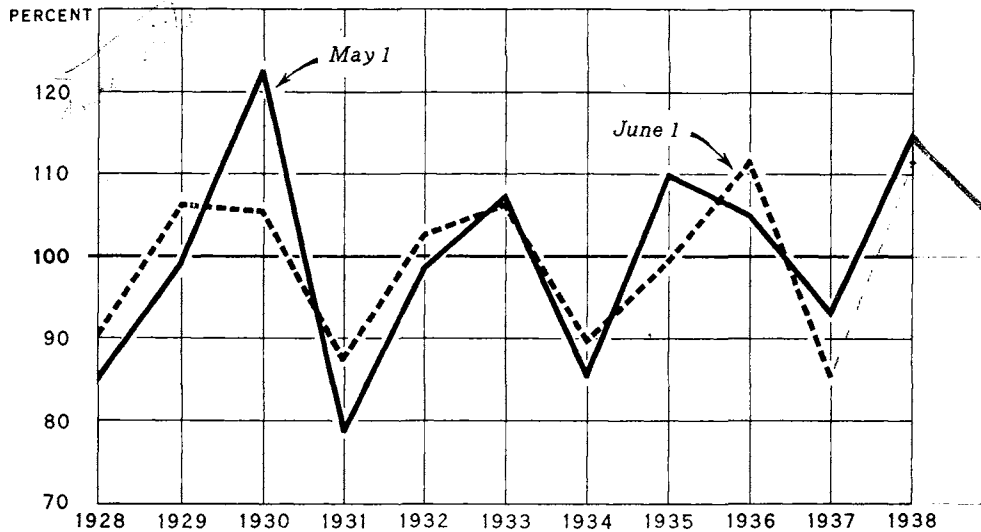
UNITED STATES DEPARTMENT OF AGRICULTURE
 BUREAU OF AGRICULTURAL ECONOMICS
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THE POULTRY AND EGG SITUATION

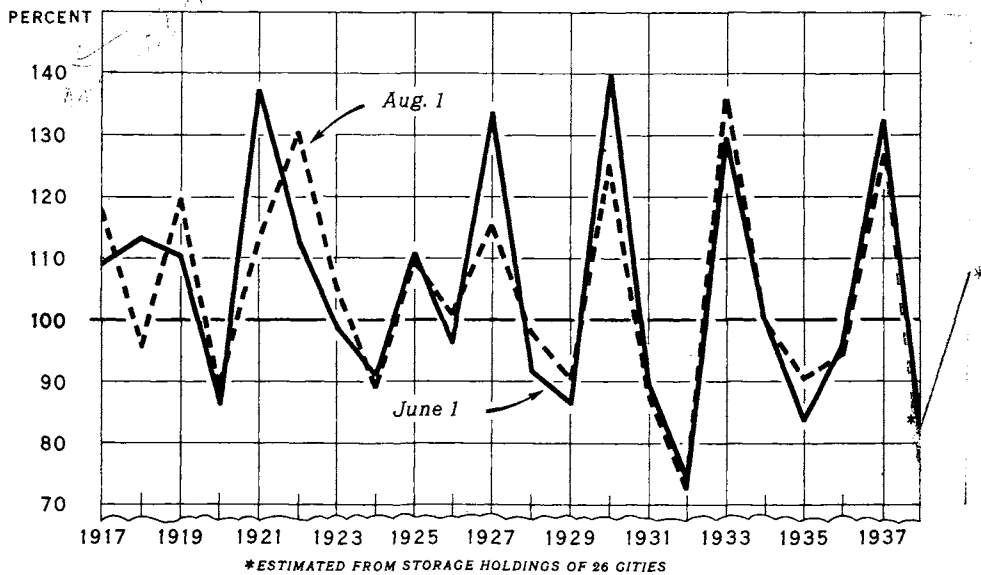
NUMBER OF CHICKS AND YOUNG CHICKENS PER FARM FLOCK IN THE U. S.
 (PERCENTAGE CHANGE FROM PREVIOUS YEAR)



U. S. DEPARTMENT OF AGRICULTURE

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U. S. STORAGE STOCKS OF SHELL AND FROZEN EGGS
 (PERCENTAGE CHANGE FROM PREVIOUS YEAR)



*ESTIMATED FROM STORAGE HOLDINGS OF 26 CITIES

U. S. DEPARTMENT OF AGRICULTURE

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THE POULTRY AND EGG SITUATION AT A GLANCE

(AVERAGE OF CORRESPONDING PERIODS, 1925-34=100)

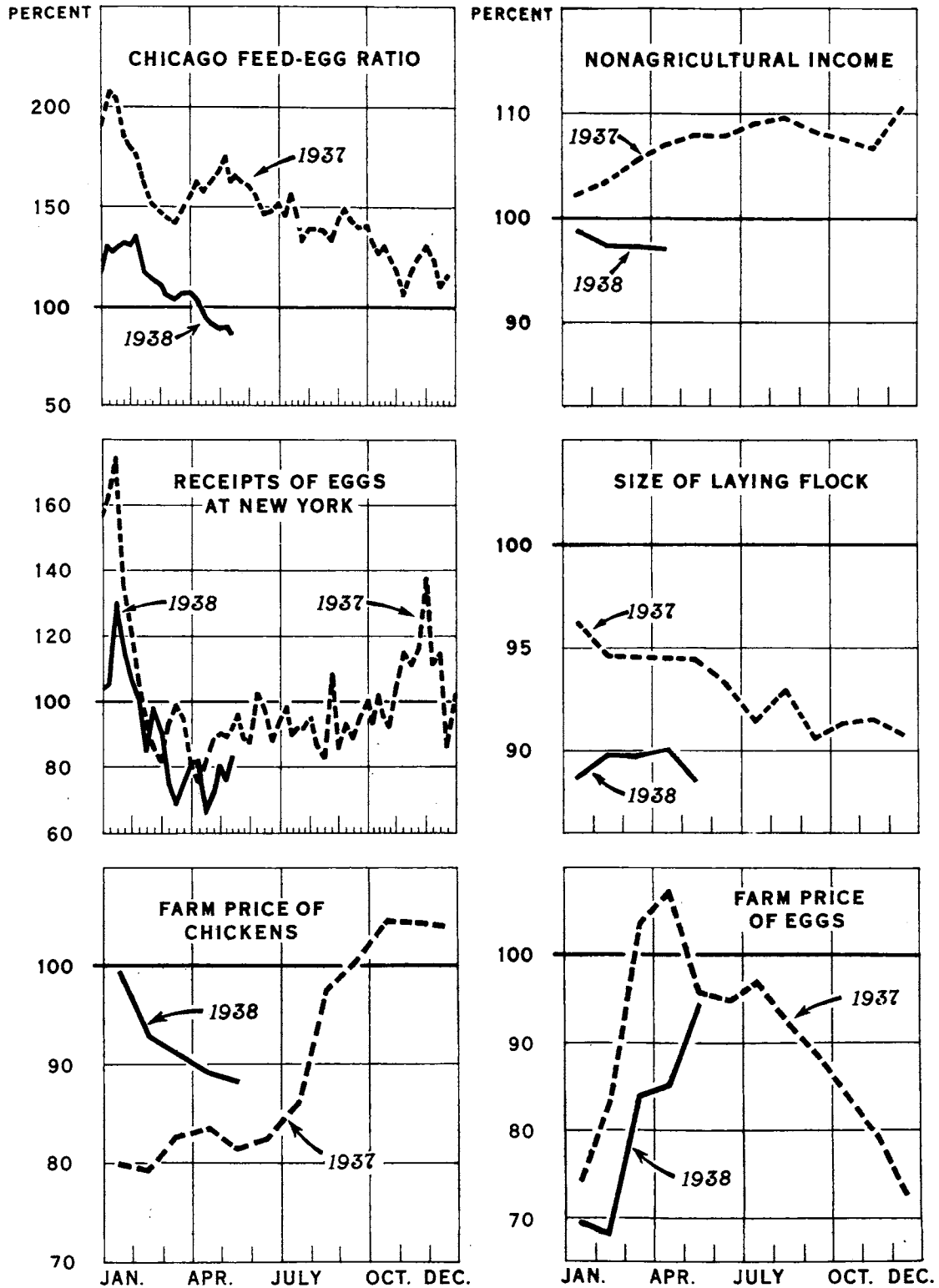


FIGURE 1

THE POULTRY AND EGG SITUATION

Summary

Important developments in the poultry and egg situation in May included (1) a rise in egg prices and (2) the continued low storing of eggs.

The trend of egg prices is expected by the Bureau of Agricultural Economics to be seasonally upward for the next 6 months. Supplies of eggs are not expected to be as great as in 1937. Storage stocks are not accumulating to the same extent as they did a year ago, and a substantial reduction from 1937 appears likely in the August 1 holdings of both shell and frozen eggs. These smaller holdings are expected to more than offset the lower level of consumer incomes, and egg prices in the last half of 1938 probably will be somewhat above those of 1937.

Chicken prices are probably past their seasonal peak, the Bureau says, and may be expected to decline during the rest of the year. The rate of decline probably will be greater than the 10-year average for corresponding months. With a larger hatch expected than in 1937, and smaller consumer incomes, chicken prices by mid-year are likely to go under those of 1937, and to continue below those of a year earlier throughout the fall and winter. Supplies of poultry, both in storage and on farms, at present are rather low.

Feed situation

The feed-egg ratio at Chicago usually rises during the spring. This year it has had a downward trend. When the ratio for each week is expressed as a percentage of the 1925-34 average for that week the decline is quite clear. It is likely that most of 1938 will be characterized by a below-average feed-egg ratio.

The feed-egg ratio at Chicago, specified weeks, as percent of
1925-34 average

Year	Week ending as of 1938 -										
	Jan. : 1	Feb. : 26	Mar. : 26	Apr. : 30	May : 7	May : 14	May : 21	May : 28	July : 2	Oct. : 29	Dec. : 3
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1937	167.8	151.2	148.0	168.0	175.9	164.7	166.5	162.8	151.7	125.5	131.6
1938	117.6	114.6	107.0	91.0	89.1	89.2	85.5	79.3			

Hatchings

The favorable feed situation and the present small numbers of layers are the major factors tending toward a larger hatch in 1938 than in 1937. The likelihood of a larger hatch is based on (1) the 6-percent increase in January-April commercial hatchings and (2) the 15-percent increase in numbers of young chicks per farm flock on May 1.

As the season has progressed the increase in commercial hatchings has steadily become smaller. Commercial hatchings in April were less than half of one percent above those in April last year.

The extent to which the change from the year before in numbers of chicks and young chickens on May 1 is an indication of their change on June 1 is shown in the cover chart. In only 3 years of the series has the direction of change (whether an increase or decrease) been wrongly indicated. In many years, however, the May 1 change has been greater than on June 1.

Average number of chicks and young chickens on hand
per farm flock

Year	May 1 Number	June 1 Number
1927	104.2	143.8
1928	88.7	130.2
1929	87.9	138.3
1930	107.7	145.7
1931	84.8	127.3
1932	83.6	130.6
1933	89.6	138.7
1934	76.6	124.4
1935	84.2	123.6
1936	88.4	138.0
1937	82.4	117.8
1938	94.5	131.7
1939	99.6	

Poultry marketings

Receipts of dressed poultry at New York in May (to May 28) were 6 percent above those of a year earlier and were 19 percent above the 1925-34 average. Because of the increased hatch this year it is likely that receipts in the last half of 1938 will exceed those of the last half of 1937.

Receipts of dressed poultry at New York, average 1925-34, annual 1937-38

Year	Week ending as of 1938 -								
	Jan. : : 29	Mar. : : 26	Apr. : : 23	Apr. : : 30	May : : 7	May : : 14	May : : 21	May : : 28	July : : 2
	: 1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	: pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Average	:	:	:	:	:	:	:	:	:
1925-34	....: 3,324	2,070	2,234	2,245	2,605	2,650	2,745	2,651	3,305
1937	.....: 3,720	2,349	2,583	3,419	3,411	3,403	2,884	2,342	3,739
1938	.....: 2,639	1,707	1,991	2,221	2,826	2,977	3,087	3,819	

Poultry storage

Storage holdings of poultry decline from a maximum in January to a low point during the summer. During this period the holdings are used to supplement the usually low receipts of fresh poultry and hence are an important source of supply for consumption. With storage stocks much less than in 1937 there is no likelihood of a mid-summer carry-over as large as that of last year. The out-of-storage movement of poultry has been proceeding at about the usual rate considering the size of stocks. On May 28, storage stocks at the 26 markets were about 61 percent of those a year earlier.

Storage stocks and out-of-storage movement of frozen poultry at 26 markets, average 1925-34, annual 1937-38

Year	Week ending as of 1938 -						
	Storage : : stocks			Out-of-storage movement				Storage : : stocks
	Apr. 23	Apr. 30	May 7	May 14	May 21	May 28	May 28
	: 1,000	1,000	1,000	1,000	1,000	1,000	1,000
	: pounds	pounds	pounds	pounds	pounds	pounds	pounds
Average	:	:	:	:	:	:	:
1925-34	...: 54,122	4,078	3,060	2,581	2,226	2,129	40,048
1937	.....: 75,123	3,586	2,887	2,136	3,567	2,654	60,293
1938	.....: 46,161	2,461	1,942	1,445	1,622	1,756	36,935

Chicken prices

Though the usual seasonal movement of chicken prices from December to May is upward, the farm price of chickens this spring has changed very little. From May to December, chicken prices usually decline gradually. In 1937, however, an advance occurred. A greater than average seasonal decline is expected this year, partly because of the larger hatch.

Farm price of chickens per pound

Year	Jan.	Feb.	Mar.	Apr.	May	July	Sept.	Oct.	Dec.
	15	15	15	15	15	15	15	15	15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average									
1925-34 ...	16.8	17.2	17.5	18.2	18.3	17.8	17.3	16.8	15.8
1936	16.5	16.9	16.6	16.9	16.6	16.1	14.9	14.0	12.6
1937	13.4	13.6	14.4	15.2	14.8	15.3	17.4	17.6	16.4
1938	16.7	16.0	15.9	16.2	16.1				

Relative to the 10-year average of the corresponding date, chicken prices have been falling since October 15. To a large extent this relative decline has been a result of declining consumer incomes and hence is likely to continue as long as incomes decline. Though chicken prices are still above those of last year, in the last half of 1938 they are likely to go below those of 1937, partly because of greater supplies of poultry expected from this year's larger hatch.

Nonagricultural income, monthly averages 1925-34, monthly 1936-38
(Seasonally corrected indexes, 1924-29 = 100)

Year	Jan.	Feb.	Mar.	Apr.	May	July	Aug.	Sept.	Oct.	Dec.
Average										
1925-34 ...	91.0	90.8	90.4	89.9	89.7	89.6	89.6	89.4	89.4	88.8
1936	81.5	81.9	82.5	83.1	84.1	86.8	87.4	87.9	89.8	100.9
1937	92.9	93.9	95.3	96.3	96.9	97.7	98.2	96.8	96.3	98.3
1938	89.9	88.4	87.9	87.1						

Laying flock size

The size of the laying flock declines by about 25 percent from January 1 to September 1. The decline to May 1 this year has been 11.6 percent, about the same as the 1925-34 average decline for this period. With a heavier hatch, the laying flock on January 1, 1939, is likely to be greater than on January 1, 1938.

Average number of laying hens in farm flocks

Year	Jan. 1	Feb. 1	Apr. 1	May 1	June 1	Aug. 1	Sept. 1	Nov. 1	Dec. 1
	Number	Number	Number	Number	Number	Number	Number	Number	Number
Average :									
1925-34 :	87.5	87.2	82.0	77.4	73.4	66.8	66.1	75.7	81.9
1937	84.2	82.5	77.5	73.1	68.5	62.1	59.9	69.3	74.4
1938	77.6	78.3	73.7	68.6					

Egg production

The May 1 rate of egg production per 100 hens and pullets of laying age continued at a high level, 5 percent above the 10-year average for the date. Production of eggs per farm flock - an indication of total United States production - was 7 percent below the 1925-34 average and was 6 percent below that for May 1 last year.

Eggs laid per 100 hens and pullets of laying age in farm flocks

Year	Jan. 1	Feb. 1	Apr. 1	May 1	June 1	July 1	Sept. 1	Dec. 1
	Number	Number	Number	Number	Number	Number	Number	Number
Average :								
1925-34 :	16.5	24.2	52.8	55.1	49.5	42.2	32.4	13.9
1937	22.0	25.7	52.8	57.8	52.5	44.4	36.1	18.6
1938	22.7	32.2	57.9	58.1				

Egg marketings

Receipts of eggs at New York reached their seasonal peak during May. For the 4 weeks ending May 28 receipts were 12 percent below those for the corresponding period last year and 20 percent below the 10-year average.

Receipts of eggs at New York, average 1925-34, annual 1937-38

Year	Week ending as of 1938							
	Jan. 29	Feb. 26	Mar. 26	Apr. 30	May 7	May 14	May 21	May 28
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	cases	cases	cases	cases	cases	cases	cases	cases
Average :								
1925-34 :	112.2	134.1	200.4	235.1	228.8	230.4	222.6	217.9
1937	152.0	115.2	190.7	213.8	204.2	213.5	214.4	193.4
1938	129.2	131.8	151.8	170.5	183.8	176.4	186.1	176.7

Egg storage stocks

Eggs are ordinarily stored in the spring for use during the fall and winter when production is relatively low. The into-storage season continues from about March 1 to about August 1. Eggs are stored in the shell or are broken and stored in frozen form.

The movement of eggs into storage so far this season has been much lighter than usual. The into-storage movement at the 26 markets in May (to May 28) was much less than last year - 29 percent fewer shell eggs and 73 percent fewer frozen eggs. As indicated in the April Poultry and Egg Situation, a peak storage stock of about 20 percent under that of 1937 may occur this year. One of the cover charts shows the changes that have occurred in stocks in recent years.

Storage stocks and storage movement of eggs at 26 markets, average 1925-34, annual 1937-38

Year	Week ending as of 1938							Storage : stocks
	Into-storage movement						Storage : stocks	
	Apr.23	Apr.30	May 7	May 14	May 21	May 28		
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>	<u>cases</u>
<u>Shell eggs</u> :								
Av. 1925-34 :	2,587	576	531	512	462	421	5,089	
1937	2,245	538	524	502	463	422	4,694	
1938	1,788	345	395	371	305	291	3,495	
<u>Frozen eggs</u> :								
1937	1,207	153	183	202	190	158	2,093	
1938	1,785	26	41	56	73	31	2,012	

Egg prices

The farm price of eggs appears definitely to have begun its seasonal rise. The United States average on May 15 was but three-tenths of a cent below the price a year before. During the last half of 1938 the price is expected to be above that of 1937.

Farm prices of eggs per dozen

Year	:Jan. : 15	:Feb. : 15	:Mar. : 15	: Apr. : 15	: May : 15	:June : 15	:July : 15	:Aug. : 15	:Oct. : 15	:Nov. : 15	:Dec. : 15
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Average											
1925-34 ...	31.0	24.0	19.3	18.7	18.7	19.6	20.0	22.0	30.0	35.4	35.7
1936	22.8	23.3	17.5	16.8	18.1	18.9	20.0	22.4	27.6	32.5	30.5
1937	23.1	20.1	19.9	20.1	17.9	17.6	19.4	20.4	25.2	28.0	26.0
1938	21.6	16.4	16.2	15.9	17.6						