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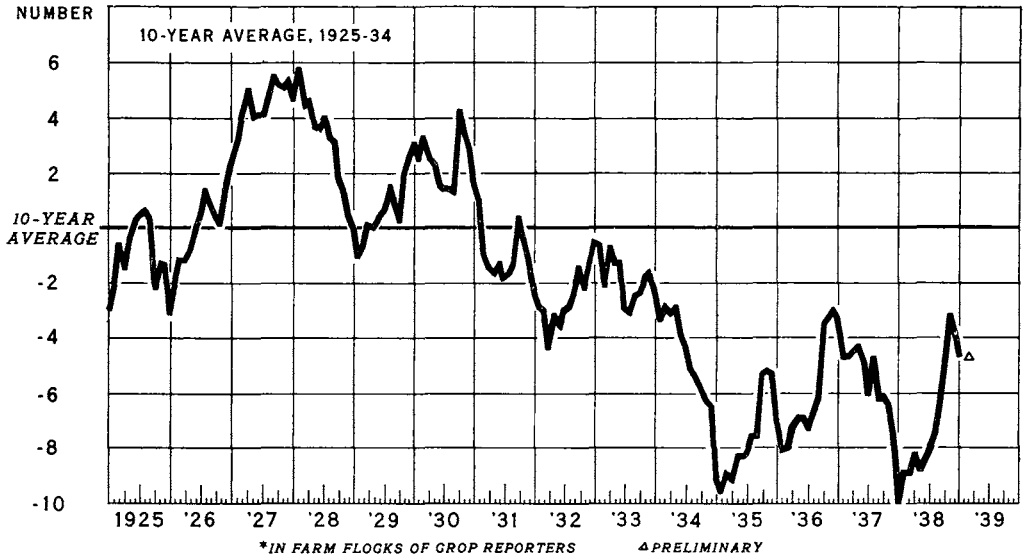
THE POULTRY AND EGG SITUATION

HENS AND PULLETS OF LAYING AGE*: NUMBER PER FARM FLOCK ABOVE OR BELOW 10-YEAR AVERAGE, 1ST DAY OF MONTH, 1925-39



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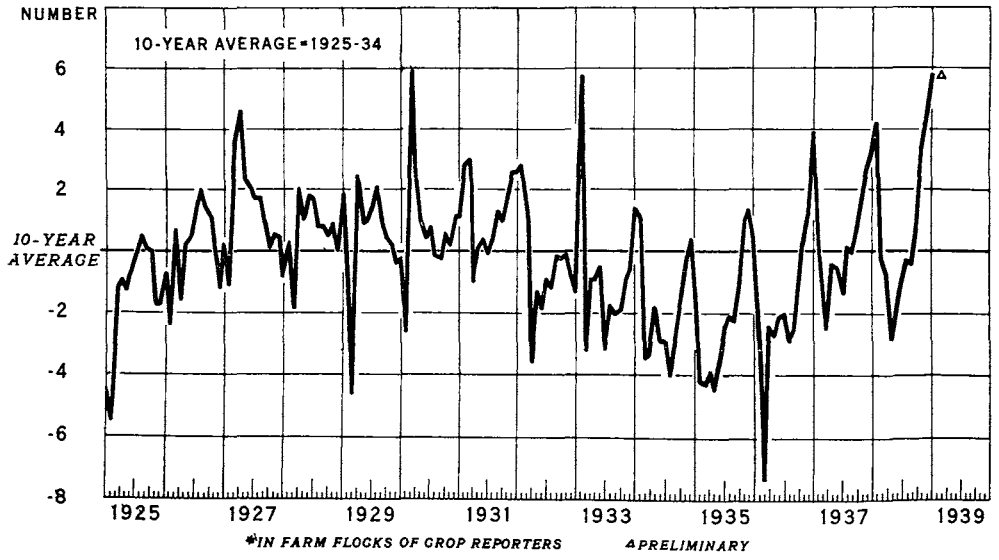
EGGS LAID PER FARM FLOCK*; NUMBER ABOVE OR BELOW 10-YEAR AVERAGE 1ST DAY OF MONTH, 1925-39



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THE POULTRY AND EGG SITUATION AT A GLANCE

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

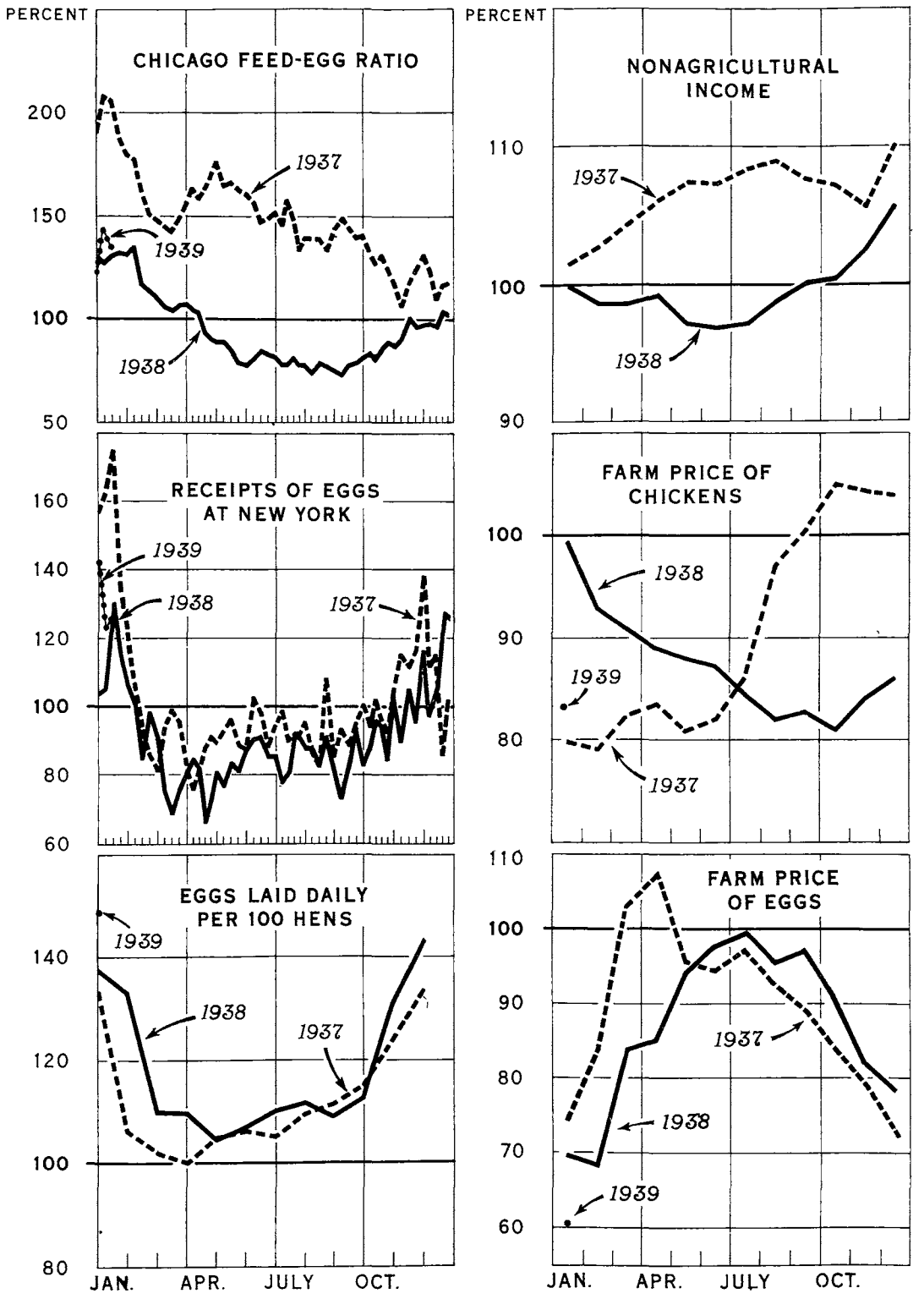

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FIGURE 1

Summary

Outstanding features in the poultry and egg situation are the continued record high production of eggs per layer and the recent sharp drop in egg prices. Weather conditions and the feed-egg ratio have been unusually favorable for egg production. But the drop which has already occurred in egg prices and the possibility that other conditions affecting production may become less favorable may tend to lessen the seasonal decline in prices during the next few months.

The Bureau of Agricultural Economics reports that poultry marketings in January 1939 were well above last year's as a result of the heavier production of fall broilers in 1938 as compared with 1937. Storage stocks of frozen poultry on January 1 also were larger than a year earlier. The net out-of-storage movement of poultry was less this January than last because of the larger available supply of live and fresh killed poultry.

Commercial hatchings in November and December 1938, were well above the same months in 1937 pointing to larger market supplies of winter broilers during January, February and early March. Storage stocks of poultry also will be larger than in those months last year. Probably only a part of the depressing effects of these larger supplies on prices will be offset by the anticipated higher level of consumer incomes and demand.

Feed situation

During January, the feed-egg ratio, based upon prices at Chicago, was about 35 percent above the 10-year (1926-35) January average. The ratio was about 4 percent higher than in January 1938. From May through the first half of December 1938, the feed-egg ratio for each month was below the 10-year average for the corresponding month. The upward change in the ratio, in relation to the seasonal average, is largely a result of the greater than seasonal decline in egg prices during January. Feed prices made only the usual seasonal advance. Since feed prices are expected to remain relatively stable, changes in the feed-egg ratio during the next few months will depend largely on the trend of egg prices.

Feed-egg ratio at Chicago, as percentage of weekly average 1925-34

Year	Week ending as of 1939											
	Jan. 7	Jan. 14	Jan. 21	Jan. 28	Feb. 11	Mar. 25	May 27	Aug. 26	Sept. 23	Nov. 25	Dec. 23	Dec. 30
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1938	130.5	127.7	130.1	132.6	135.5	107.0	79.3	77.3	79.4	96.7	104.3	103.6
1939	123.6	144.7	135.6									

Hatchings

Partly as a result of the favorable feed-egg ratio during the fall of 1938, commercial hatcheries in December 1938 reported an increase of 56 percent in the number of chicks hatched as compared with December 1937. These hatchings are primarily for winter broiler production. Future hatchings will be affected by changes in the feed-egg ratio during January, February and March.

Poultry marketings

Receipts of dressed poultry at New York in January 1939, were about 18 percent above those of a year earlier. This was largely a result of the increased production of poultry in 1938 as compared with 1937. Receipts reached their usual seasonal peak in December. During the first half of 1939, receipts probably will be larger than in the first half of 1938 because of larger numbers of chickens on hand January 1. Poultry marketings during coming months will be affected by the trend of egg prices. If egg production becomes unprofitable there will be some tendency to cull flocks.

Receipts of dressed poultry at New York

Year	Week ending as of 1939								
	Jan. 7	Jan. 14	Jan. 21	Jan. 28	Feb. 25	Mar. 25	Oct. 28	Dec. 23	Dec. 30
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average 1925-34	3,949	3,220	3,047	3,324	2,432	2,070	4,516	11,630	6,302
1938	2,611	2,055	2,485	2,639	2,340	1,707	5,187	8,984	4,062
1939	2,418	2,627	3,394						

Poultry storage

Frozen poultry, stored during the period from September to January, is an important source of supplies for consumption during the first half of the year when receipts of fresh poultry are the smallest. Stocks of frozen poultry in the United States on January 1, 1939 were 12 percent above stocks of a year earlier but 27 percent below the record stocks on January 1, 1937. The net out-of-storage movement during January at the 26 major storing cities was less in 1939 than in 1938, because of the larger supply of live and fresh-killed poultry available this year as compared with 1938.

Storage stocks of frozen poultry at 26 markets

Year	Storage stocks Dec.31	Week ending as of 1938-39 Storage movement Jan. 7	Jan. 14	Jan. 21	Jan. 28	Storage stocks Jan.28
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Average 1925-34	91,748	+ 4,662	+ 622	- 742	- 1,373	94,917
1937-38	93,182	+ 419	- 1,319	- 2,587	- 1,215	88,480
1938-39	101,944	+ 2,369	- 574	- 2,002		

Chicken prices

The farm price of chickens rose from December 15 to January 15 but the increase was less than the average seasonal amount. The effects of the larger supplies of poultry, both on the farm and in storage, this spring compared with last, may be only partially offset by the anticipated higher level of consumer incomes and demand.

Farm price of chickens per pound

Year	Jan. 15	Feb. 15	Mar. 15	May 15	June 15	July 15	Sept. 15	Nov. 15	Dec. 15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average 1925-34	16.8	17.2	17.5	18.3	18.0	17.8	17.3	16.2	15.8
1937	13.4	13.6	14.4	14.8	14.8	15.3	17.4	16.9	16.4
1938	16.7	16.0	15.9	16.1	15.7	15.0	14.3	13.6	13.6
1939	14.0								

Nonagricultural income
(Seasonally corrected indexes, 1924-29=100)

Year	Jan.	Feb.	Mar.	May	July	Aug.	Sept.	Oct.	Nov.	Dec.
Average 1925-34	91.3	91.2	90.8	90.1	90.2	90.1	90.0	89.9	89.6	89.4
1937	92.6	93.7	94.8	96.8	97.9	98.2	96.9	96.4	94.6	98.4
1938	91.2	90.0	89.5	87.5	87.6	89.0	90.1	90.5	91.9	94.5

Laying flock size

The laying flock is usually near its maximum size for the year on January 1. This year the number of hens and pullets of laying age in farm flocks was about 7 percent above the record low on the same date in 1938, but 5 percent below the 10-year average, 1926-35. The increase in size of laying flocks from the low point in August 1938, to January 1, 1939, was the largest on record.

The cover chart shows laying flock size (adjusted for seasonal movements by comparison with the 10-year average of each month). The January figure was considerably above January 1, 1938, but materially below the 1925 to 1934 level. The graph has a distinctly cyclical character, the low points during the last decade having occurred regularly at 3-year intervals. If this cycle continues, laying flock size on January 1, 1940 will be above that of this year. The course of chicken and egg prices this winter, however, may modify the usual cyclical tendency in this instance.

Average number of laying hens in farm flocks on the first day of the month

Year	Jan.	Feb.	May	June	Aug.	Oct.	Nov.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average 1925-34	87.5	87.2	77.4	73.4	66.8	70.4	75.7	81.9
1937	84.2	82.5	73.1	68.5	62.1	64.3	69.3	74.4
1938	77.6	78.3	68.6	65.0	59.3	65.6	72.5	78.0
1939	82.8							

Egg production

The number of eggs laid on January 1 per 100 hens and pullets of laying age continued at record high levels for this season of the year. Production per hen was 8 percent above January 1, 1938, which had been the previous high for this month, and almost 50 percent above the 10-year (1925-34) January 1 average.

The reported production per farm flock during November, December and January exceeded all records for the corresponding months in preceding years because of the increased flock size and the high egg production per hen. Total production per farm flock on January 1, 1939 was 16 percent above January 1 last year and 41 percent above the 1925-34 January average.

Eggs laid per 100 hens and pullets of laying age in farm flocks on the first day of the month

Year	Jan.	Apr.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number	Number
Average 1925-34	16.5	52.8	49.5	42.2	36.9	32.4	25.0	17.0	13.9
1937	22.0	52.8	52.5	44.4	40.4	36.1	28.8	21.1	18.6
1938	22.7	57.9	52.9	46.5	41.2	35.3	28.2	22.3	19.9
1939	24.6								

Egg marketings

Egg receipts at New York since January 1 have been about 14 percent above the same period in 1938 and about 30 percent above average. Weekly receipts have been increasing more slowly than in 1938, which may be a result of the recent cold weather and its temporary effect on egg production. Receipts normally increase from November to April or May.

Receipts of eggs at New York

Year	Week ending as of 1939									
	Jan. 7	Jan. 14	Jan. 21	Jan. 28	Feb. 25	Apr. 29	May 27	July 29	Oct. 28	Dec. 23
	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases
Average 1925-34	82.2	94.6	101.1	112.2	134.1	235.1	217.9	119.9	80.2	81.0
1938	85.2	99.4	131.7	129.2	131.8	170.5	176.7	108.5	67.8	103.2
1939	117.4	116.7	127.7							

Egg storage

Stocks of frozen eggs at 26 major storing centers on January 1, 1939 were about 48 percent less than on the same date in 1938. Stocks of shell eggs are small at this season of the year but were 53 percent smaller this January 1, than last, and 61 percent below the 10-year January 1 average. Because of the larger supply of fresh eggs and the smaller cold storage holdings than last year, the net out-of-storage movement for shell eggs was less from January 1-24, 1939, than for the same period in the preceding year.

Storage stocks of eggs at 26 markets

Item and year	Storage stocks Dec. 31	Week ending as of 1938-39 Cut-of-storage movement Jan. 7	Jan. 14	Jan. 21	Jan. 28	Storage stocks Jan.28
	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases
Shell eggs						
Av.1925-34	787	203	149	107	90	238
1937-38	620	149	117	65	31	258
1938-39	288	83	27	37		
Frozen						
1937-38	1,905	48	50	60	58	1,689
1938-39	1,038	51	51	44		

Egg prices

The farm price of eggs fell 32 percent from December 15 to January 15. The average decline, 1925-34, was 13 percent and last year it was 17 percent. Egg prices usually decline from the peak in November until the following March. The very large egg production per farm flock the past several months is largely responsible for the greater-than-seasonal price decline which has just occurred. The seasonal decline which usually occurs in the remaining winter months may be less than usual because of the sharp drop in December and January.

Farm price of eggs per dozen

Year	Jan. 15	Feb. 15	Mar. 15	May 15	July 15	Aug. 15	Oct. 15	Nov. 15	Dec. 15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average 1925-34	31.0	24.0	19.3	18.7	20.0	22.0	30.0	35.4	35.7
1937	23.1	20.1	19.9	17.9	19.4	20.4	25.2	28.0	26.0
1938	21.6	16.4	16.2	17.6	19.9	21.0	27.1	29.0	27.9
1939	18.8								