

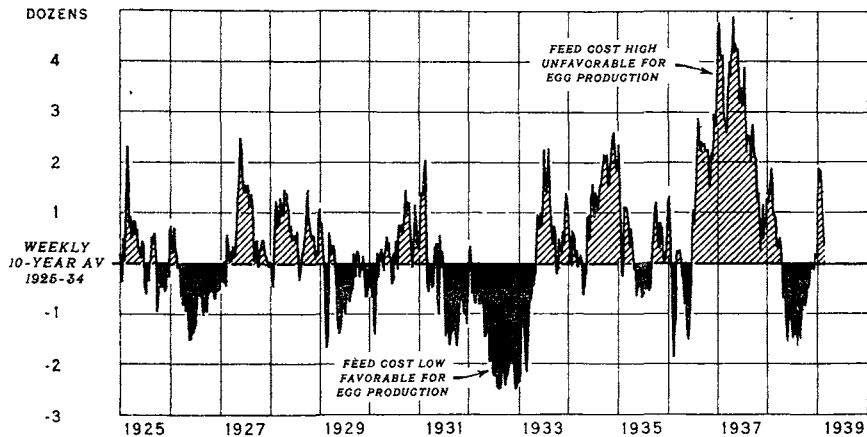
UNITED STATES DEPARTMENT OF AGRICULTURE  
 BUREAU OF AGRICULTURAL ECONOMICS  
 WASHINGTON

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MARCH 2, 1939

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 THE POULTRY AND EGG SITUATION  
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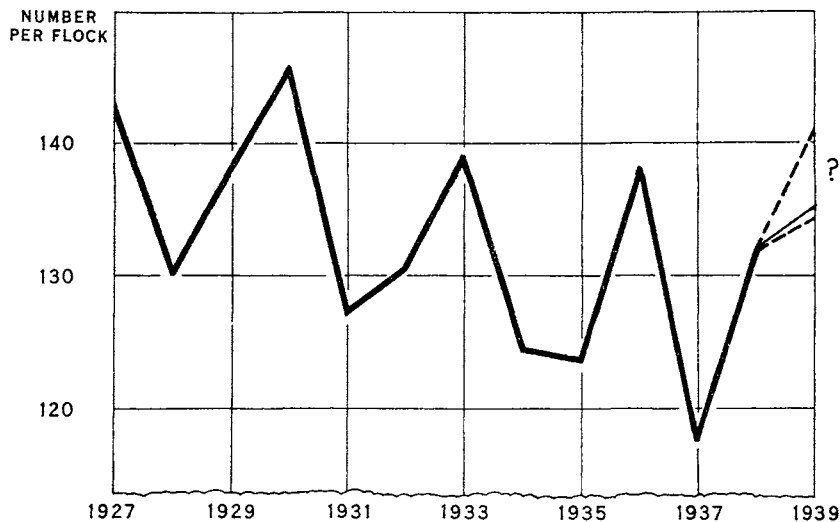
FEED-EGG RATIO AT CHICAGO, 1925 TO DATE



U S DEPARTMENT OF AGRICULTURE

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CHICKS AND YOUNG CHICKENS PER FARM FLOCK  
 ON JUNE 1, 1927-39



U S DEPARTMENT OF AGRICULTURE

NEG. 31505 BUREAU OF AGRICULTURAL ECONOMICS

THE NUMBER OF CHICKS AND YOUNG CHICKENS PER FARM FLOCK ON JUNE 1 IS A MEASURE OF THE TOTAL HATCH. THE DOTTED LINES INDICATE THAT, ON THE BASIS OF PAST EXPERIENCE, THE 1939 HATCH MAY BE FROM 2 TO 7 PERCENT GREATER THAN IN 1938. ONE REASON FOR THIS INDICATION IS THE 15 PERCENT REDUCTION IN THE OCTOBER-MARCH FEED-EGG RATIO FROM THAT OF A YEAR EARLIER, AS SHOWN IN THE UPPER CHART.

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# THE POULTRY AND EGG SITUATION AT A GLANCE

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

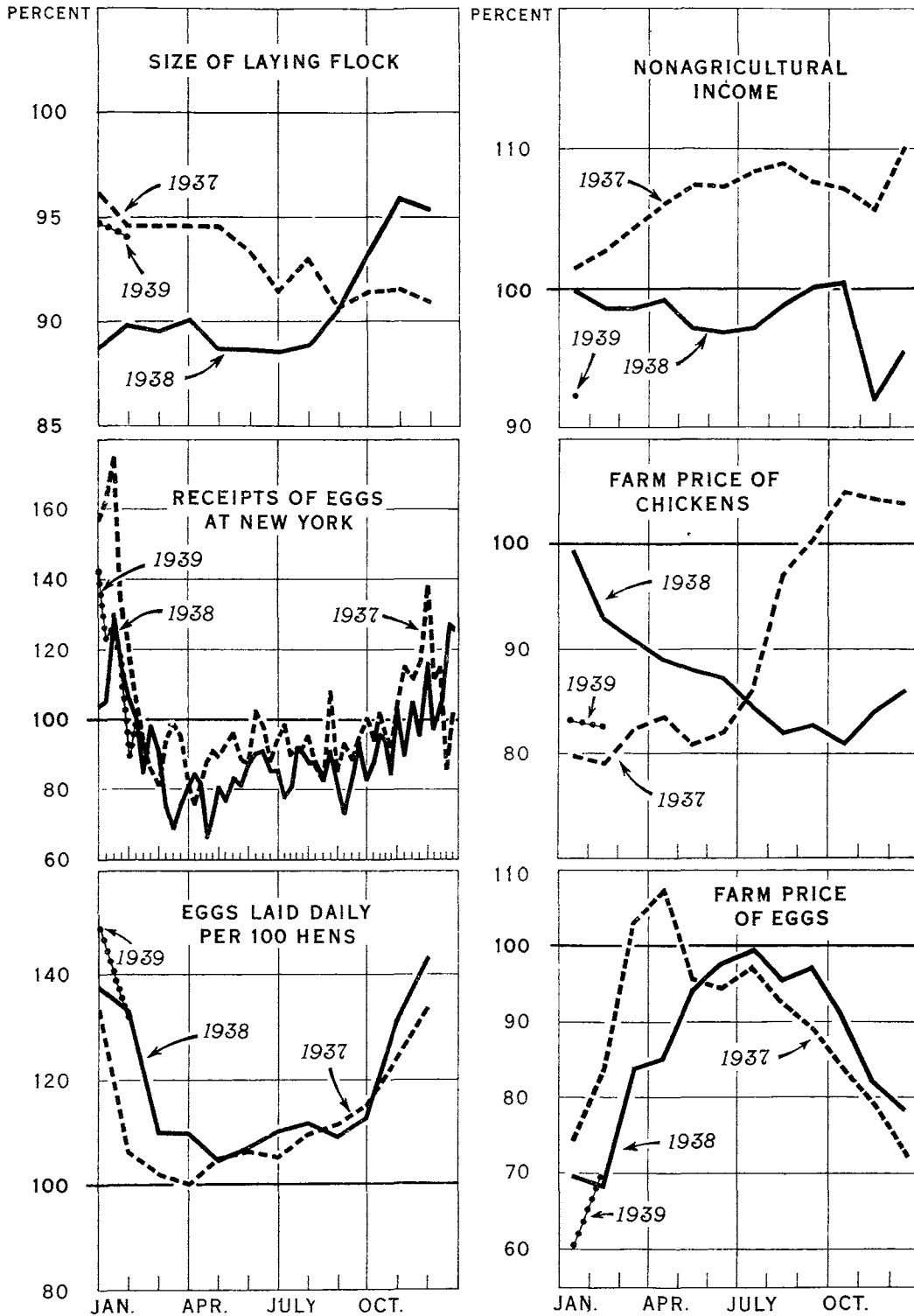


FIGURE I

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THE POULTRY AND EGG SITUATION  
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Summary

Market supplies of chickens in the last half of 1939 may be above those of a year earlier, chiefly because of the larger hatch which may occur this year as a result of the more favorable feed-egg price relationship, according to the Bureau of Agricultural Economics.

The decline in egg prices from January 15 to February 15 was less than seasonal. The February feed-egg ratio was about unchanged from last month, but was more favorable for production than in the same month last year. It was still somewhat less favorable than the 10-year average for February. Egg production per farm flock on February 1 was only slightly above last year's production for the same date.

Poultry marketings during February continued well above last year's as a result of the heavier production of winter broilers in 1938 as compared with 1937, and possibly of larger marketings of hens and pullets culled from farm flocks. Poultry marketings are expected to continue larger during the next few months than a year earlier. Storage stocks of frozen poultry on February 1 also were larger than a year ago. Part of the price depressing effects of these larger supplies of poultry will be offset by the higher level of consumer incomes and demand compared with last year.

Feed situation

The cost of poultry feed relative to the price of eggs normally rises from December to June. However, during the past 30 days the ratio has become slightly more favorable for egg production. The actual level of the feed-egg ratio for the week ended February 18 was less favorable than the 1925-34 average but more favorable than the ratio for the same week a year ago. For the months October through February the ratio has averaged about 17 percent lower than that of the same period in 1937-38.

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

Year	Week ending as of 1939											
	:Jan. : : 21	:Jan. : : 28	:Feb. : : 4	:Feb. : : 11	:Feb. : : 18	:Feb. : : 25	:Mar. : : 4	:Mar. : : 11	:Mar. : : 18	:May : : 27	:Aug. : : 26	:Nov. : : 25
	: Per- : cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent
1938 ..:	130.1	132.6	131.5	135.5	117.5	114.6	111.1	106.2	104.4	79.3	77.3	96.7
1939 ..:	135.6	138.0	128.3	114.7	106.5							

Hatchings

One important effect of this favorable change in the feed-egg ratio from that of early 1938 may be an increase in the 1939 hatch, if past relationships between changes in the ratio and in subsequent hatchings continue.

One indication of tendencies in the size of the hatch is the report of commercial hatcheries. For January this report showed an increase of 58 percent in the number of salable chicks hatched compared with January 1938. The increase in the number of eggs set during the month was 36 percent and advance orders on February 1 were 29 percent above the preceding year. Much of this increase seems to have been for broiler production.

The change in the number of chicks and young chickens per farm flock on June 1 is a good indication of the change in the size of the total hatch of that year, including both farm and commercial. The chart on the first page of this report shows how these numbers have varied since 1927. Peaks and lows have occurred at rather regular 3-year intervals. The dotted lines indicate the range within which the 1939 hatch may fall if past relationships continue.

This range is based on figure 2, which shows the relationship between the change in the feed-egg ratio and the change in the number of chicks from the year before. The percentage change in the October-March feed-egg ratio has been compared with the percentage change in the hatch for the years 1928-38. Thus, with a 15 percent reduction from last season in the feed-egg ratio, as is likely this season for the months October to March, there is indicated a 2 to 7 percent increase in the hatch. The effects of many other circumstances which influence the hatch keep this relationship from being followed exactly in any one year.

Poultry marketings

Receipts of dressed poultry at New York in February 1939 were about 15 percent larger than in February 1938 but 13 percent below the 1925-34 February average. Poultry marketings during the latter part of January increased considerably over previous weeks. Reports from central western poultry buying stations indicate that part of this increase may have been a result of heavier marketings of both fowl and young chickens influenced by low January egg prices. During the first half of 1939, receipts will probably continue larger than in the first half of 1938 because of larger numbers of chickens on hand January 1.

CHANGES IN NUMBERS OF CHICKS AND YOUNG CHICKENS  
PER FARM FLOCK, JUNE 1, AND CHANGES IN AVERAGE  
FEED-EGG RATIO IN PREVIOUS OCTOBER-MARCH

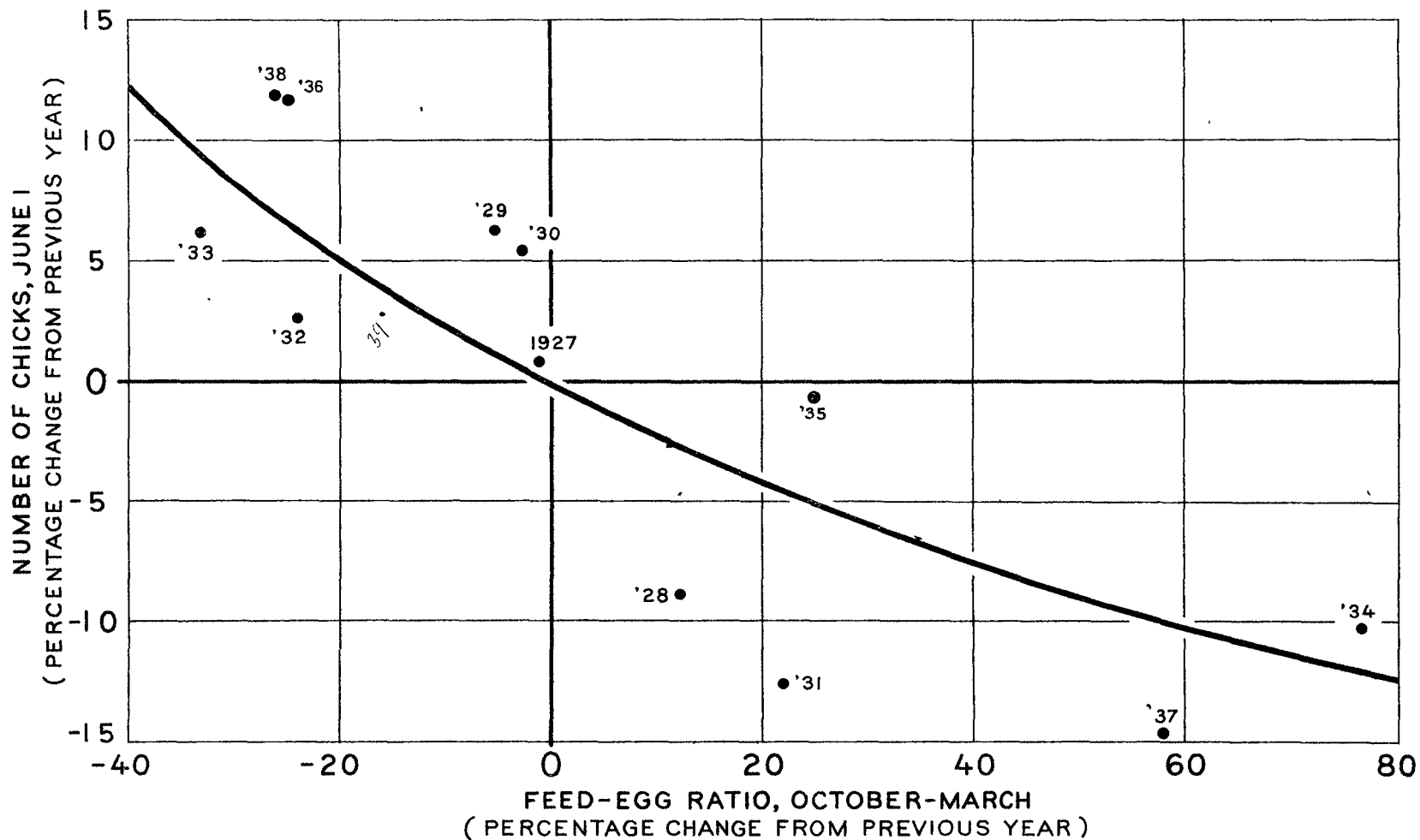


FIGURE 2

## Receipts of dressed poultry at New York

Year	Week ending as of 1939								
	Jan. : 21	Jan. : 28	Feb. : 4	Feb. : 11	Feb. : 18	Feb. : 25	Mar. : 4	Mar. : 11	Apr. : 29
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Average									
1925-34	3,047	3,324	3,464	2,939	2,841	2,432	2,338	2,196	2,245
1938	2,485	2,639	2,621	2,055	2,333	2,340	1,729	1,385	2,221
1939	3,394	3,684	2,962	2,632	2,460				

Poultry storage

Stocks of frozen poultry in the United States on February 1, 1939 were 17 percent above stocks of a year earlier but 24 percent below the record stocks on January 1, 1937. 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 smallest.

## Storage stocks of frozen poultry at 26 markets

Year	Week ending as of 1939						Storage stocks Feb. 25
	Storage	Out of storage movement				Storage	
	stocks Jan. 28	Feb. 4	Feb. 11	Feb. 18	Feb. 25	stocks Feb. 25	
	1,000	1,000	1,000	1,000	1,000	1,000	
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	
Average							
1925-34	94,917	1,318	1,717	2,334	2,642	86,906	
1938	88,480	2,032	2,936	2,639	2,934	77,939	
1939	100,216	997	2,714	2,680			

Chicken prices

The farm price of chickens on February 15 was fractionally higher than on January 15 but the increase was less than the average seasonal amount. The price on February 15, 1939 was 11 percent below last year and 17 percent below the 10-year average for February 15. The effects of the larger supplies of poultry on farms and in storage this spring compared with last, will be partly offset by the higher level of consumer incomes and demand.

Price per pound received by farmers for chickens

Year	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 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	18.2	18.3	17.8	17.3	16.2	15.8
1937 ...	13.4	13.6	14.4	15.2	14.8	15.3	17.4	16.9	16.4
1938 ...	16.7	16.0	15.9	16.2	16.1	15.0	14.3	13.6	13.6
1939 ...	14.0	14.2							

Index of nonagricultural income  
(1924-29 = 100, adjusted for seasonal variation)

Year	Jan.	Feb.	Mar.	Apr.	June	Aug.	Oct.	Nov.	Dec.
Average									
1925-34	91.3	91.2	90.8	90.3	90.2	90.1	89.9	89.6	89.4
1937 ...	92.6	93.7	94.8	95.7	96.8	98.2	96.4	94.6	98.4
1938 ...	91.2	90.0	89.5	89.6	87.3	89.0	90.5	91.9	95.0
1939 ...	92.3								

Laying flock size

The number of laying birds per farm flock declined about 1 percent during January 1939 compared with a gain of almost 1 percent during January last year. Late hatchings of chickens were heavy in 1938 and ordinarily the addition of pullets coming to laying age during January would have resulted in a small increase in the average number of layers per farm flock (as was the case last year). Low egg prices, however, may have been responsible for somewhat heavier marketings of hens and young chickens this January than last. As a result, the number of layers remaining on February 1 was only about 5 percent greater than a year ago, whereas on January 1 the number was almost 7 percent greater. However, the number of layers is still about 6 percent short of the 1925-34 February 1 average.

Average number of laying hens per farm flock on the first day of the month

Year	Jan.	Feb.	Mar.	Apr.	May	Aug.	Nov.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average								
1925-34	87.5	87.2	84.7	82.0	77.4	66.8	75.7	81.9
1937	84.2	82.5	80.0	77.5	73.1	62.1	69.3	74.4
1938	77.6	78.3	75.8	73.8	68.6	59.3	72.5	78.0
1939	82.8	1/82.0						

1/ Preliminary.

Egg production

Farm production of eggs per hundred layers, failed to show the usual seasonal gain during January. This was owing to the inclement weather in the latter part of January and was in sharp contrast with production during the early winter when all past records for comparable dates were exceeded. February 1 production per hundred layers was 1 percent below the record high production a year earlier. It was, however, higher than the February 1 average in any other year of record beginning with 1925. (It is of interest to note in this connection that in every month except 4 since May 1937, egg production per 100 layers exceeded all previous records for the corresponding month.)

Reported production per farm flock on February 1, 1939 was 3 percent above February 1 last year and 23 percent above the 1925-34 February average.

Numbers of hens and pullets per farm flock on September 1 show much less variation from year to year than do numbers on January 1. Since the number on hand January 1, 1939 was 7 percent above the number on hand on the same date in 1938, the seasonal decline in numbers from January to September may be greater in 1939 than in 1938. With a greater seasonal decline expected and number of layers per flock now only 5 percent above last year, production per 100 layers would have to about equal last year's record production to maintain production per flock above that of last year during the spring and summer months.

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

Year	Jan.	Feb.	Mar.	Apr.	May	Aug.	Nov.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average :								
1925-34:	16.5	24.2	38.4	52.8	55.1	36.9	17.0	13.9
1937 :	22.0	25.7	39.2	52.8	57.8	40.4	21.1	18.6
1938 :	22.7	32.2	42.2	57.9	58.1	41.2	22.3	19.9
1939 :	24.6	1/ 31.9						

1/ Preliminary.

Egg marketings

Receipts of eggs at New York in the first 3 weeks of February were 4 percent below 1938 and 7 percent below average. Receipts usually increase from week to week at this season of the year. However, receipts dropped off sharply at New York during the first week of February and have not yet regained the levels of the latter part of January. Receipts at the other three major markets have increased slightly. Several factors may have contributed to the decline at New York. Weather conditions were less favorable for production in the latter



part of January than in previous weeks, egg breaking operations were increased during January and probably have continued to increase, the out-of-storage movement for both shell and frozen eggs has decreased and there may have been some shifting of eggs from primary to secondary markets.

Receipts of eggs at New York

Year	Year ending as of 1939									
	Jan. : 21	Jan. : 28	Feb. : 4	Feb. : 11	Feb. : 18	Feb. : 25	Mar. : 4	Mar. : 11	Apr. : 29	
	1,000	1,000	1,000	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>cases</u>	<u>cases</u>
Average										
1925-34	101.1	112.2	116.0	116.3	125.4	134.1	154.1	162.7	235.1	
1938	131.7	129.2	123.9	116.6	106.2	131.8	139.7	122.9	170.5	
1939	127.7	132.9	104.1	114.7	112.8					

Egg storage

Stocks of frozen eggs at 26 major storing centers on January 28, 1939 were about 48 percent (or the equivalent of 817,000 cases of shell eggs) less than on the same date in 1938. Stocks of shell eggs generally reach a low point during the latter part of February. Stocks were unusually low on January 28 this year and during the third week of February showed some increase over the usual nominal February into-storage movement.

Storage margin

Eggs are stored mainly during the period from March through June and move out of storage chiefly during the period from September through January. The difference in weighted average prices between these two periods is a rough measure of the average gross profit on the season's storage operations. From the margin an allowance of from 3 to 4 cents per dozen must be made for storage costs of all kinds. The results of the preceding storage season, from the viewpoint of the operator, have a bearing on storage demand, and therefore upon the level of egg prices in late winter and early spring, and also tend to affect the quantity of eggs stored.

The average storage margin during 1938, as measured in this way, was 3.57 cents per dozen - just about enough to allow the storage operator to break even.

The March-June average price is the average of the monthly prices of storage packed firsts at New York weighted by the net into-storage movement as indicated by the first-of-the-month United States cold storage reports. The September-January price is similarly obtained using the price of refrigerator firsts at New York weighted by the net out-of-storage movement.

Estimated storage margin on shell eggs per dozen, average 1916-35,  
1925-34, annual 1935-38

Year	: Seasonal weighted : average st. pkd. : firsts at N. Y. : Mar. - June	: Seasonal weighted : average refrig. : first at N. Y. : Sept. - Jan.	: Storage : margin
	: <u>Cents</u>	: <u>Cents</u>	: <u>Cents</u>
Average	:	:	:
1916-35	: 28.22	: 33.16	: 4.94
1925-34	: 24.08	: 27.69	: 3.61
1935	: 25.06	: 23.66	: - 1.40
1936	: 21.24	: 26.82	: 5.58
1937	: 22.62	: 20.54	: - 2.08
1938	: 20.37	: 1/ 23.94	: 1/ 3.57
39	: 17.		

1/ Preliminary.

Egg prices

The farm price of eggs fell 11 percent from January 15 to February 15. The average (1925-34) decline between these two dates was 30 percent and last year it was 32 percent. Prices on February 15 were 2 percent above last year but 30 percent below the 10-year average for February 15. Less favorable weather conditions resulting in a less-than-seasonal increase in egg production and the consequent smaller market receipts were largely responsible for the less-than-seasonal decline in prices. The sharp drop in egg prices during December and January was equal to a considerable part of the usual seasonal decline.

Price per dozen received by farmers for eggs

Year	: Jan. : : 15	: Feb. : : 15	: Mar. : : 15	: Apr. : : 15	: May : : 15	: July : : 15	: Sept. : : 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>
Average	:	:	:	:	:	:	:	:	:
1925-34	: 31.0	: 24.0	: 19.3	: 18.7	: 18.7	: 20.0	: 25.7	: 35.4	: 35.7
1937	: 23.1	: 20.1	: 19.9	: 20.1	: 17.9	: 19.4	: 22.9	: 28.0	: 26.0
1938	: 21.6	: 16.4	: 16.2	: 15.9	: 17.6	: 19.9	: 24.9	: 29.0	: 27.9
1939	: 18.8	: 16.7							