

THE *Poultry and Egg* SITUATION

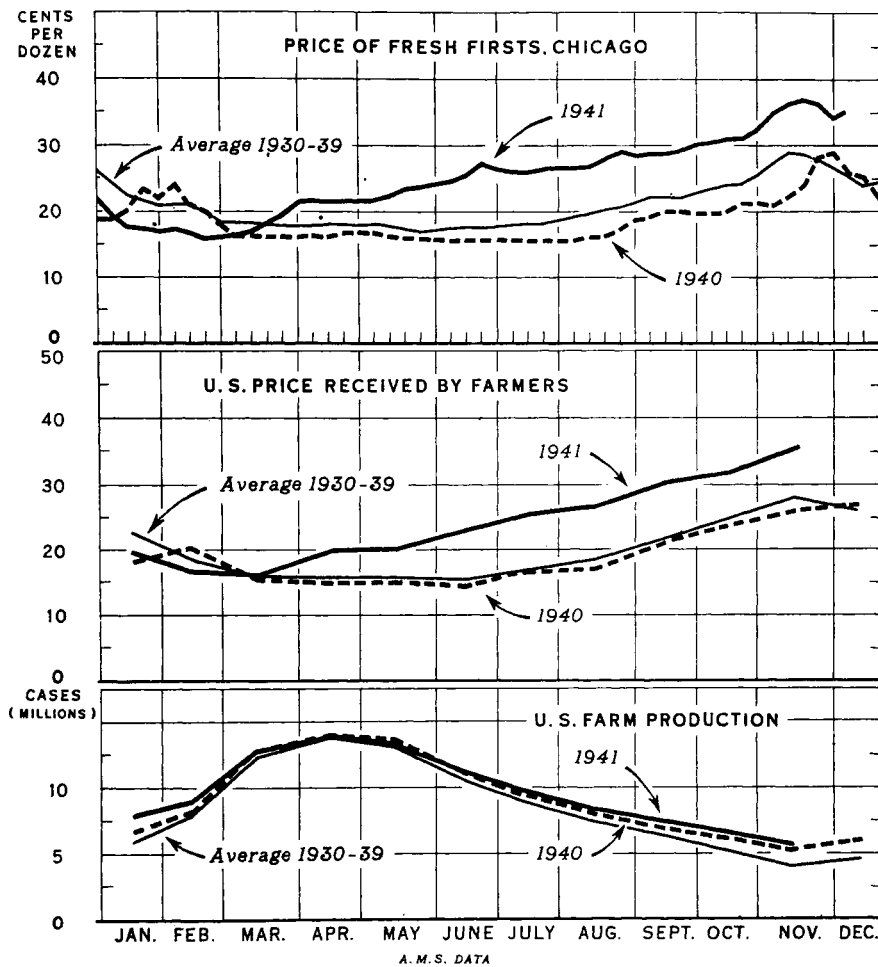
BUREAU OF AGRICULTURAL ECONOMICS
 UNITED STATES DEPARTMENT OF AGRICULTURE

PES-60



DECEMBER 1941

EGGS: PRICE AT CHICAGO, PRICE RECEIVED BY FARMERS, AND FARM PRODUCTION, UNITED STATES, AVERAGE 1930-39, AND 1940-41

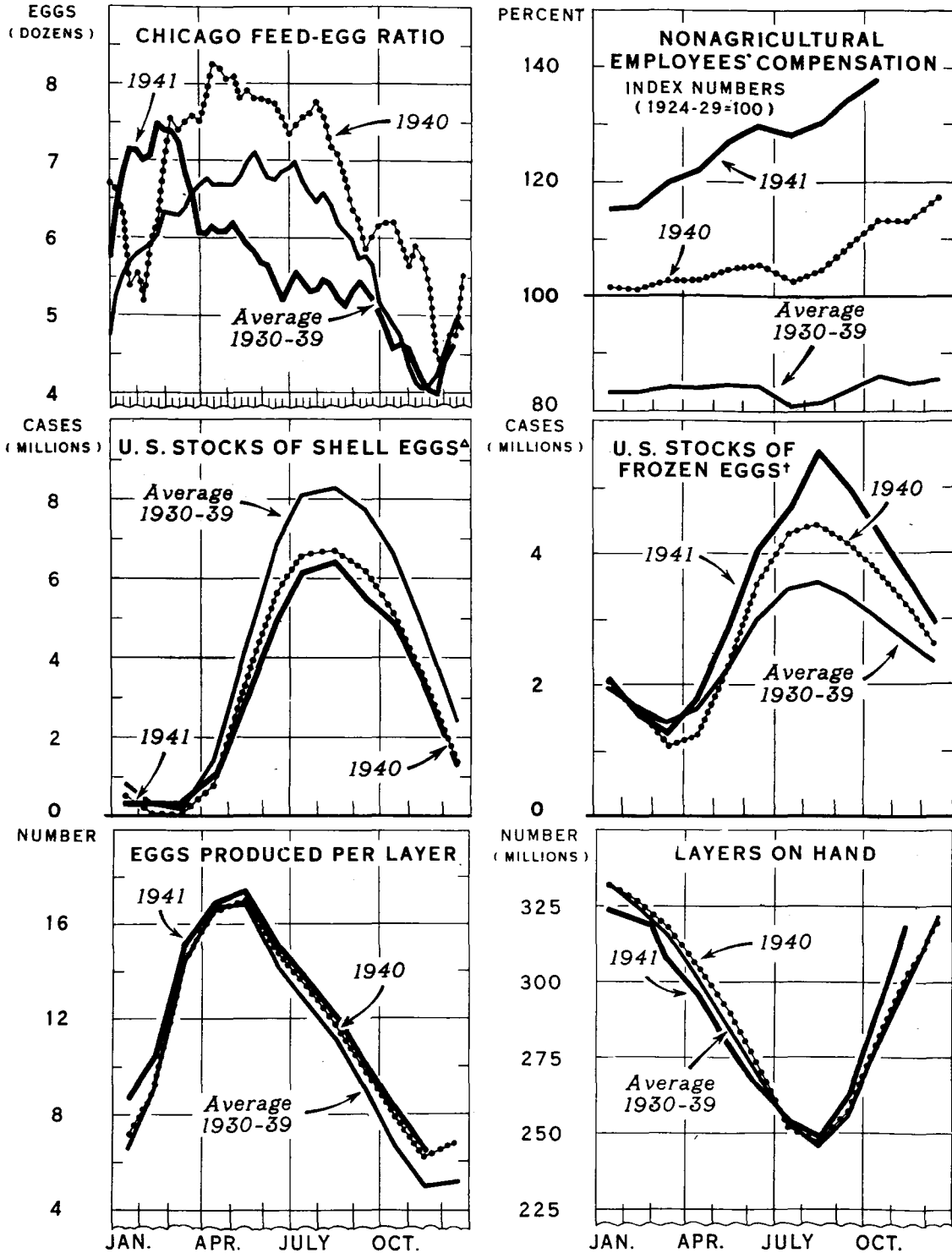


U. S. DEPARTMENT OF AGRICULTURE

NEG. 39036 BUREAU OF AGRICULTURAL ECONOMICS

EGG PRICES BEGAN TO DECLINE AT ABOUT THE USUAL TIME THIS FALL (LATE NOVEMBER), THE DOWNTURN COINCIDING WITH THE SEASONAL UPTURN IN MARKETINGS. BUT WITH THE SPREAD OF WAR IN EARLY DECEMBER WHOLESALE EGG PRICES ADVANCED TEMPORARILY, AND IN THE MIDDLE OF THE MONTH THEY WERE ABOUT THE SAME AS IN MID-NOVEMBER. WITH FAVORABLE WEATHER, PRODUCTION OF EGGS WILL INCREASE SEASONALLY UNTIL NEXT APRIL AND WILL BE MATERIALLY LARGER THAN A YEAR EARLIER.

THE EGG SITUATION AT A GLANCE



A. M. S. DATA, EXCEPT NONAGRICULTURAL EMPLOYEES' COMPENSATION
^A 1st. OF THE MONTH. EXCLUDES U. S. D. A. HOLDINGS, BEGINNING APRIL 1, 1940
[†] 1st. OF THE MONTH. EXCLUDES U. S. D. A. HOLDINGS, BEGINNING JULY 1, 1941

FIGURE 1

THE POULTRY AND EGG SITUATION

Summary

The seasonal low point in farm marketings of eggs has been passed. With favorable weather egg production will increase until next April and will be much larger than a year earlier. On December 1, the average rate of lay per hen in the United States was the highest on record for that date, 10 percent higher than on the same date last year. The number of layers on farms was 7 percent larger than on December 1, 1940, making the total egg output of eggs on the first day of this month about 17 percent larger than on December 1 last year. The number of layers on farms will increase further relative to a year earlier because of the 19 percent larger number of pullets still available for addition to laying flocks. By January laying flocks will average about 10 percent larger than a year earlier. In the flush season of egg production next spring the increase in layers may exceed 10 percent, since with the favorable egg prices in prospect the maximum number of potential layers will be retained for egg production.

Wholesale egg prices began to decline at about the usual time this fall, the downturn coinciding with the seasonal upturn in marketings. But with the spread of war in early December egg prices advanced. In mid-December the price of fresh firsts at Chicago was about the same as in mid-November, but about 10 cents (approximately 38 percent) higher than a year earlier. Egg prices declined again after the middle of the month. Feed prices have advanced a little in recent weeks but the feed-egg price ratio is about the same as a year ago, a little more favorable to producers than average.

Storage stocks of shell eggs are declining seasonally and remain somewhat smaller than a year earlier. The withdrawal of frozen eggs in recent weeks has been the largest on record but total holdings continue much larger than a year ago.

Current consumption of chicken meat appears to be the largest on record. Average prices received by farmers for chickens, however, are continuing higher than a year ago; the mid-November price was 18 percent higher than in November 1940. Specialized broiler and fryer production now is the largest on record and probably will continue very large for the next several months. The feed-chicken price ratio probably will improve in coming months as prices of individual classes of chickens advance seasonally.

Wholesale prices for turkeys in mid-December were a little lower than in mid-November but were considerably higher than a year earlier. The average price received by farmers for turkeys in mid-November (20.2 cents) was 30 percent higher than in November 1940.

-- December 20, 1941

EGG SITUATION

REVIEW OF RECENT DEVELOPMENTS

Production Per Layer on December 1 About One-third Larger Than Average

During November, the average number of layers on farms (318 million) was about 5 percent larger than in November 1940. The average rate of lay per hen during the month also was about 5 percent larger than a year earlier, making the total egg output 11 percent in excess of the output in November last year. The margin of egg output over a year earlier was even more marked on December 1 than the average for November. Output per layer on December 1 was 10 percent over that of a year earlier, and a third larger than average. The number of layers on that date was about 7 percent larger, making the total output of eggs on December 1 about 17 percent larger than on December 1, 1940. Unusually mild weather and favorable egg prices have been conducive to heavy egg production.

The average output per layer in the United States usually reaches the low point for the year on about December 1. The total monthly egg output usually is lowest in November. Farm marketings of eggs in the Midwest this fall reached the low point in the third week of November, and with favorable weather marketings will increase until next April. Receipts at Midwest markets in recent weeks have been between two and three times heavier than a year earlier. Receipts of eggs at Pacific Coast primary markets have been increasing since late October and early November, and in recent weeks have been running 13 to 18 percent heavier than in the corresponding period last year. Receipts of eggs at the four principal markets during the week ended December 13 were heavier than a year earlier for the first time in about 2 months. Large Government purchases of eggs in the heavy-producing areas result in a heavy movement of eggs to breaking plants and to Army training camps. This tends to reduce the flow of shell eggs through terminal markets and in large part accounts for the fact that receipts at such markets have been running smaller than a year earlier despite much heavier production. Also, imports of eggs at New York are not included in receipts data. In some weeks those imports have accounted for a fairly sizable proportion of receipts at that market.

Number of layers on farms, United States

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:												
1930-39:	332	325	315	301	284	267	253	246	256	278	300	322
1938	307	301	292	278	262	248	236	234	245	269	293	314
1939	322	316	306	292	276	260	246	242	253	279	305	326
1940	332	327	318	304	289	270	252	247	257	279	303	320
1941	324	318	308	295	280	266	254	249	263	291	318	

Average number of eggs produced per layer, United States

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Average:												
1930-39:	6.6	8.9	14.3	16.7	16.8	14.2	12.7	11.2	8.9	6.8	5.0	5.2
1938	7.9	9.9	15.4	17.5	17.3	14.9	13.6	11.8	9.4	7.5	5.9	6.4
1939	8.0	9.7	14.9	17.0	17.0	14.6	13.2	11.7	9.3	7.4	6.0	6.8
1940	7.2	9.0	14.4	16.5	17.0	14.8	13.4	11.8	9.7	7.9	6.2	6.8
1941	8.7	10.3	15.0	16.9	17.4	15.1	13.8	12.2	10.0	8.2	6.5	

Total farm production of eggs, United States

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.
	: cases	: cases	: cases	: cases	: cases	: cases	: cases	: cases	: cases	: cases	: cases	: cases
Average:												
1930-39:	6.0	8.0	12.5	13.9	13.2	10.5	8.9	7.6	6.4	5.2	4.1	4.7
1938:	6.7	8.3	12.5	13.5	12.6	10.3	8.9	7.6	6.4	5.6	4.8	5.5
1939:	7.2	8.5	12.6	13.8	13.0	10.6	9.1	7.8	6.5	5.7	5.1	6.1
1940:	6.7	8.2	12.7	14.0	13.7	11.1	9.4	8.1	7.0	6.1	5.2	6.0
1941:	7.9	9.1	12.8	13.9	13.5	11.1	9.7	8.5	7.4	6.6	5.7	

Agricultural Marketing Service data.

Monthly Dried Egg Production now the Largest on Record

Production of dried eggs by 14 firms in October of this year totaled over 5 million pounds, more than 200 times the output in October 1940. In addition, considerable quantities were produced by firms that are not included in the 14 firms or that were not reporting their production to the Department. Total production of dried eggs in 1941 will be something like 4 times the previous record output of 10 million pounds in 1939. During the last few months considerable quantities of storage shell eggs have been used for producing dried eggs. Relatively small quantities of frozen eggs have been dried so far, however. Now that production of eggs is increasing seasonally the quantity of storage eggs that are dried will decrease.

Purchases of eggs by the Department of Agriculture in 1941

Date	Shell		Frozen	Dried
	Direct purchases	Blue Stamp purchases		
	Cases	Cases	1,000 pounds	1,000 pounds
Month:				
Jan.	4,003	120,000	---	---
Feb.	173,003	133,000	---	---
Mar.	72,191	157,000	---	---
Apr.	386,925	173,000	---	---
May	398,711	170,000	15,527	840
June	38,401	184,000	6,240	735
July	316,535	161,000	42,218	4,750
Aug.	96,736	200,000	2,205	6,525
Sept.	88,150	183,000	---	5,546
Oct.	92,395	186,000	---	12,687
Nov.	15,700	---	---	4,247
Week ended:				
Dec, 6	11,124	---	---	684
13	4,148	---	---	2,553
20	10,349	---	---	2,807
Total	1,708,371	1,667,000	66,190	41,374

Surplus Marketing Administration data.

The Department of Agriculture this year up to December 20 had purchased the equivalent of a little over 7-3/4 million cases of shell eggs. The quantities of the three forms, shell, dried, and frozen, are given in the accompanying table. Up to November 1 the following quantities of egg products had been delivered to representatives of the British Government: Dried eggs, 10,410,573 pounds, frozen eggs, 33,434,160 pounds, and shell eggs, 693,526 cases. These quantities are equivalent to approximately 2-3/4 million cases. A part of the dried eggs purchased to date are for future delivery.

Storage Stocks Declining Seasonally

Partly because of the strong demand for fresh and storage eggs for drying, the withdrawal of shell eggs from storage has been about as large in recent weeks as a year earlier despite continued heavy production. Holdings of privately owned shell eggs on December 1 were 11 percent smaller than a year earlier. Stocks owned by the Department of Agriculture also were smaller than on December 1, 1940, making total holdings of shell eggs about 16 percent smaller than on December 1 last year.

The net withdrawal of frozen eggs from storage in November was the largest on record for the month, but total stocks on December 1 were 42 percent larger than a year earlier and 7 percent larger than the previous record high for that date in 1937. The net withdrawal of frozen eggs in the first half of December was much heavier than a year earlier.

Eggs: Storage stocks in the United States and storage movement at 26 markets

Year	United States stocks		Out-of-storage movement, week ending as of 1941-42						
	Nov. 1	Dec. 1	Nov.			Dec.			Jan.
			29	6	13	20	27	3	
<u>Shell</u>	cases	cases	cases	cases	cases	cases	cases	cases	cases
Average									
1930-39 ..	4,592	2,400	315	303	274	246	217	202	
1939	3,519	1,580	303	224	178	162	167	86	
1940	<u>1/</u> 3,427	<u>1/1,</u> 424	417	348	222	240	191	133	
1941	<u>1/</u> 3,271	<u>1/2,</u> 1,265	441	320	267				
<u>Frozen</u>									
Average									
1930-39 ..	2,688	2,345	---	---	---	---	---	---	
1939	2,979	2,509	69	51	69	71	66	45	
1940	3,195	2,608	102	74	86	71	67	62	
1941	<u>3/</u> 3,615	<u>2/3,</u> 2,963	163	154	206				

Agricultural Marketing Service data.

1/ Excludes U. S. Department of Agriculture holdings as follows: Nov. 1, 1940, 717,000 cases; Dec. 1, 1940, 545,000 cases; Nov. 1, 1941, 586,000 cases; Dec. 1, 1941, 392,000 cases.

2/ Preliminary.

3/ Excludes U. S. Department of Agriculture holdings as follows: Nov. 1, 1941, 781,000 cases; Dec. 1, 1941, 748,000 cases.

Egg Prices Increased Temporarily with
the Further Spread of War

Wholesale egg prices began to decline at about the usual time this year, the downturn coinciding with the upturn in volume of farm marketings. With the recent war developments, however, the movement of prices was reversed despite continued increases in receipts, and prices increased 2 cents or more over the low point of early December. In mid-December the price of fresh firsts at Chicago at 36 cents per dozen was 1 cent lower than a month earlier but about 10 cents (38 percent) higher than a year earlier. Moderate price declines occurred after the middle of December. Increases in prices in eastern egg markets, following the spread of war, were of about the same proportion as the increases at Chicago, so that prices continued much higher than a year earlier. Prices of dried and frozen eggs declined somewhat during October and November, but are considerably higher than a year ago.

The average price received by farmers for eggs in mid-November at 35.5 cents per dozen was 82 percent of parity. The index of prices paid by farmers for commodities, including interest and taxes, which is used in computing parity prices, has advanced materially in recent months. In mid-November this index was 143 (August 1909-July 1914 = 100), compared with 141 in mid-October and 127 in November 1940.

Price per dozen received by farmers for eggs, United States

Year	: Jan.:	Feb.:	Mar.:	Apr.:	May :	June :	July :	Aug.:	Sept.:	Oct.:	Nov.:	Dec.:
	: 15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :
	:Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:												
1930-39:	22.8	18.8	16.1	16.0	15.9	15.7	17.0	18.7	21.9	24.7	28.2	26.3
:												
1938	: 21.6	16.4	16.2	15.0	17.6	18.2	19.9	21.0	24.9	27.1	29.0	27.9
1939	: 18.8	16.7	16.0	15.5	15.2	14.9	16.5	17.5	20.6	22.9	25.8	20.5
1940	: 18.3	20.2	15.4	15.0	15.1	14.4	16.4	17.2	21.0	23.7	26.2	20.3
1941	: 19.7	16.8	16.4	19.7	20.1	23.2	25.6	26.8	30.3	31.8	35.5	
:												

Agricultural Marketing Service data.

Department is Giving Further Support
to Egg Prices

On December 18 the Department of Agriculture began making purchases of fresh shell eggs on the Chicago and New York Mercantile Exchanges to give further support to egg prices. These purchases are being made in keeping with the Secretary's announcement in early September, that egg prices would be supported at not less than 85 percent of parity through December 31, 1942. Eggs purchased by this procedure will be used principally in school lunch programs.

OUTLOOK - EGGS

BACKGROUND.-- Production per layer was larger than a year earlier in every month during 1941. And although the number of layers on farms was smaller than a year earlier during the first 6 months

of the year, total egg production in all months was larger than in corresponding months of 1940 except in April and May. The aggregate of the first of the month layings for 1941 is 5 percent larger than the comparable figures for 1940 and about 13 percent larger than the 1930-39 average.

Egg Production Likely to Continue
Largest on Record

The number of layers in flocks of crop reporters on December 1 was 6.8 percent larger than on December 1, 1940; and about 19 percent more pullets, not of laying age, were on farms and available for adding to laying flocks later. It appears, therefore, that the number of layers on farms by January will be close to 10 percent larger than a year earlier. With the favorable egg prices in prospect, only a minimum number of birds probably will be removed from laying flocks during the first few months of 1942. So by the flush season of production next spring the increase in the number of layers on farms may be more than 10 percent larger than in the spring of 1941. This increase would be sufficient to reach the egg production goal for 1942 even if the average rate of lay were no higher than this year's rate.

Egg prices probably will decline materially in the course of the next few months as marketings increase, but prices received by farmers for eggs will continue higher than a year earlier at least well into 1942. Most factors in the outlook for egg prices are favorable. Consumer incomes in 1942 are expected to average larger than in 1941 and purchases by the Department of Agriculture under the Lend-Lease Act probably will be a little more than twice as large as this year's purchases, and as proclaimed by the Secretary of Agriculture in early September, egg prices will be supported at not less than 85 percent of parity through the period ending December 31, 1942. Egg prices also will be influenced to some extent by any further increases in the general price level.

Production Goals for 1942 to be Reviewed

The committees under the supervision of the agricultural defense boards have about completed canvassing all farmers to determine the probable output of crops and livestock products for 1942. The findings of this survey will be used in making any revisions that may have become necessary as a result of the latest developments in the national and international situation.

Index Numbers of Seasonal Variation
in Egg Prices for 1942

In the May issue of the Poultry and Egg Situation, a moving seasonal adjustment for egg prices was presented. In that report index numbers of seasonal variation were published for each year from 1910 through 1941. Index numbers of seasonal variation in egg prices for 1942 follow:

January 95	May 82	September 114
February 88	June 79	October 127
March 82	July 90	November 141
April 82	August 97	December 123

The Department of Agriculture uses these index numbers of seasonal variation in computing parity prices for eggs. Butterfat parity prices also are adjusted for seasonal variation. In computing parity prices for eggs prior to May 1941, the Department used an index of seasonal variation based on the period 1929-38.

Other commodities are not adjusted for seasonal variation in calculating parity prices. Variations in prices of most commodities other than eggs and butterfat have not been sufficiently pronounced or uniform from year to year to make it desirable to make adjustments for seasonal variation. Chicken prices fall in this category. Prices of individual classes of chickens (including fowl) have uniform and well defined patterns of seasonal variation. But in computing the average price received by farmers for chickens (which is an average of many classes and grades), the mixed patterns are combined and the resulting price series shows relatively little seasonal variation. In many years changes in demand conditions offset the effects on the average price received by farmers for chickens of the seasonal changes in supplies of poultry meat. Hence the effect of seasonal factors on the average farm price for chickens frequently is not readily apparent. Likewise, the effects on the seasonal pattern of average farm chicken prices of the phenomenal increase in specialized broiler and fryer production are largely obscured.

THE POULTRY SITUATION

REVIEW OF RECENT DEVELOPMENTS

Seasonal Peak in Farm Marketings of Chickens Has Been Passed

Marketings of young chickens in the Midwest usually reach a peak in mid-November. In 1940 this peak was a little later than usual, partly because of the late beginning of the hatching season last year. This year receipts at Midwest primary markets reached the highest point for the year in the latter part of September and continued heavy until mid-November. Although these receipts are declining seasonally now, they are continuing much larger than a year ago. Farm marketings of fowls also have passed the seasonal peak, and are continuing smaller than at this time in 1940.

Two seasonal peaks usually occur in receipts of dressed poultry (fresh and frozen) at the four principal markets. One peak comes just before Thanksgiving and a second one just before Christmas (see chart in fig. 2). Receipts at principal markets include turkeys and other classes of poultry as well as chickens and fowls, thus making the peaks more pronounced than those for primary markets. Receipts of dressed poultry at principal markets early this fall were considerably larger than a year earlier, but in recent weeks they have been a little smaller than for corresponding weeks of last year. Smaller receipts of turkeys this year than last probably are partly responsible for the smaller total receipts of dressed poultry at principal markets. Another factor is that larger quantities of chicken meat are being consumed in industrial cities other than those in which the four principal poultry markets are located.

THE POULTRY SITUATION AT A GLANCE

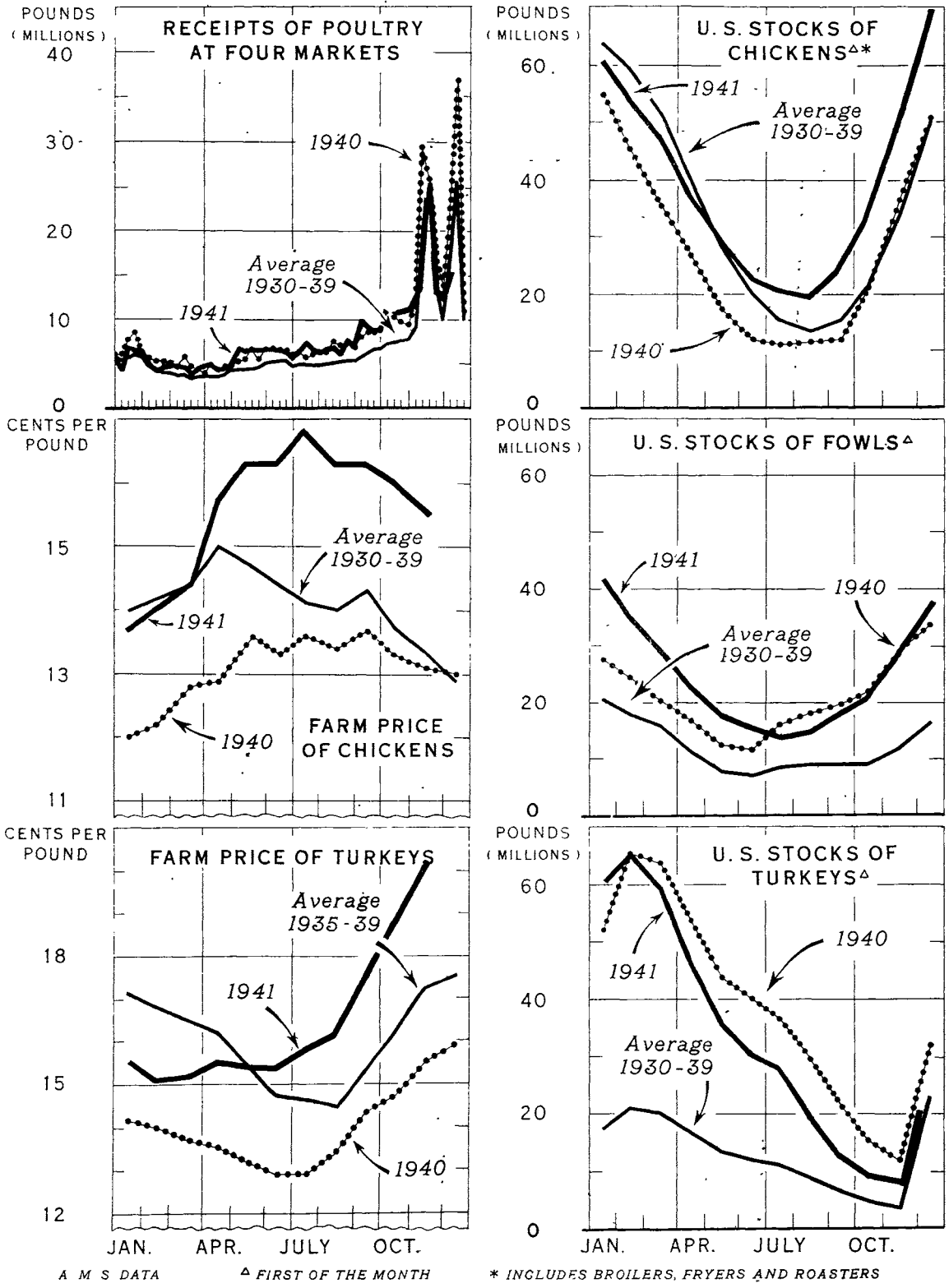


FIGURE 2

Receipts of dressed poultry at four markets

(New York, Chicago, Philadelphia, Boston)										
Year	Week ending as of 1941-42									
	Oct.		Nov.			Dec.		Jan.		
	18	25	15	22	29	6	13	20	27	3
	1,000	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 pounds									
Average:										
1939-40:	7,387	7,641	18,931	25,187	13,766	9,846	16,810	25,458	9,947	5,414
1939	7,733	8,438	28,200	23,999	12,471	9,451	20,274	32,380	9,187	5,973
1940	10,327	9,796	29,526	25,818	16,500	13,656	21,802	36,909	10,766	5,538
1941	10,865	10,951	23,634	23,702	12,881	12,335	15,289			

Agricultural Marketing Service data.

Current Consumption of Poultry Meat
Largest on Record

Farm marketings of some classes of poultry, especially young chickens, have been continued much larger than a year earlier. Although the net into-storage movement of young chickens this fall has been very heavy, it appears that current consumption is exceeding previous records. The relatively high price level for other meats has been an important factor in bringing about this heavy consumption. Prices of heavy young chickens in retail markets have been about at last year's level despite a much larger supply.

Storage holdings of all poultry in the United States on December 1 were about 8 percent larger than on December 1, 1940. Stocks of all classes except turkeys were larger than a year ago, with roasters and fryers showing the largest increases. Holdings of broilers were up 33 percent; fryers and roasters were 39 percent larger than on December 1 last year. Holdings of fowls were 11 percent larger than the previous record a year earlier, whereas holdings of turkeys were 35 percent smaller. Stocks of roasters on December 1 were the largest on record for that date, exceeding the previous record high of 29 million pounds in 1926 by about 31 percent. Stocks of fryers and broilers though much larger than usual were not equal to previous records for December 1.

Poultry: Storage stocks in the United States and storage movement at 26 markets

Year	United States: Into-storage movement, week ending as of 1941-42									
	stocks		Nov.			Dec.		Jan.		
	Nov. 1	Dec. 1	29	6	13	20	27	3		
	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:										
1930-39:	70,412	105,076	10,062	9,085	4,511	3,066	2,971	2,931		
1939	79,228	127,649	17,462	9,166	4,154	10,617	5,917	3,490		
1940	114,257	159,110	15,845	13,009	8,480	4,760	8,955	5,229		
1941	127,981	172,436	12,735	10,032	8,483					

Agricultural Marketing Service data.

1/ Preliminary.

Fowl and Chicken Prices Strengthened Following Peak in Marketings

Wholesale prices of live fowls and young chickens at Chicago in general advanced about 15 percent from mid-November to mid-December, and continued higher than a year earlier. Prices of similar live birds in some eastern markets, however, were about steady. Wholesale prices of dressed stock were generally higher in mid-December than in mid-November. The average price received by farmers for chickens declined from 16.0 cents in mid-October to 15.5 cents in mid-November; the mid-November price being 95 percent of the November parity price.

Price per pound received by farmers for live chickens,
United States

Year	Jan.:	Feb.:	Mar.:	Apr.:	May :	June:	July:	Aug.:	Sept.:	Oct.:	Nov.:	Dec.
	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15 :	15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average	:	:	:	:	:	:	:	:	:	:	:	:
1930-39	: 14.0	14.2	14.4	15.0	14.7	14.4	14.1	14.0	14.3	13.7	13.3	12.9
1938	: 16.7	16.0	15.9	16.2	16.1	15.7	15.0	14.2	14.3	13.6	13.6	13.6
1939	: 14.0	14.2	14.3	14.4	13.9	13.4	13.7	13.0	13.6	12.7	12.4	11.7
1940	: 12.0	12.2	12.8	12.9	13.6	13.3	13.6	13.4	13.7	13.3	13.1	13.0
1941	: 13.7	14.0	14.4	15.7	16.3	16.3	16.8	16.3	16.3	16.0	15.5	

Agricultural Marketing Service data.

Poultry, live: Wholesale price, by classes, at Chicago,
average 1936-40 and selected dates 1940 and 1941

Class	Average:		1940		1941		Week ending	
	1936-40:		Nov. :	Dec. :	Jan. :	Feb. :	Nov. :	Week ending
	Dec. :	Cents	Cents	Cents	Cents	Cents	Cents	Dec. 6: Dec. 13
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Hens:	:	:	:	:	:	:	:	:
Over 5 pounds	:	16.6	14.9	15.5	16.9	16.7	19.0	18.8 19.0
5 pounds and under	:	13.9	12.6	13.5	18.0	18.4	17.2	15.6 16.8
Leghorn	:	11.6	10.2	10.9	13.2	14.6	12.7	13.2 14.0
Spring chickens:	:	:	:	:	:	:	:	:
4 pounds and over	:	:	:	:	:	:	:	:
Colored	:	16.0	14.8	16.5	18.1	19.5	15.2	16.7 17.0
White Rock	:	17.3	16.0	18.0	19.6	21.2	16.6	17.2 18.5
Barred Rock	:	17.0	15.4	17.6	19.8	21.8	16.2	16.9 17.2
Under 4 pounds	:	:	:	:	:	:	:	:
Colored	:	16.1	14.3	16.1	17.6	18.4	15.2	16.9 17.1
White Rock	:	17.5	15.8	17.7	18.9	19.4	18.0	18.7 17.4
Barred Rock	:	17.5	16.1	17.6	19.5	20.1	19.8	20.3 19.8
Broilers:	:	:	:	:	:	:	:	:
2-1/2 pounds and under :	:	:	:	:	:	:	:	:
Colored	:	17.0	16.3	16.6	17.2	17.8	17.7	17.5 16.6
White Rock	:	18.0	18.6	17.5	18.0	18.6	18.9	18.3 16.6
Barred Rock	:	18.3	18.7	17.9	18.0	18.9	20.1	19.7 18.5
Turkeys:	:	:	:	:	:	:	:	:
Young hens	:	20.1	17.5	18.2	18.6	19.0	22.5	21.8 21.7
Young toms	:	16.9	1/14.7	1/15.4	1/15.5	16.0	1/18.9	1/17.4 1/17.6

Computed from quotations in Chicago Price Current.
1/ Computed from all quotations on young toms, including classes by weights.

OUTLOOK - CHICKENS

BACKGROUND. - The feed-chicken price-ratio this year, based on farm prices, was more favorable than a year earlier, and more favorable than average, until September. Since September, feed prices have increased and prices received by farmers for chickens have declined somewhat, making the feed-chicken price-ratio less favorable than average and less favorable than a year ago. As a factor in determining the total annual chicken output in the United States, however, the feed-chicken ratio usually is less important than the feed-egg ratio. The unusually favorable feed-egg ratio during the first half of 1941 was primarily responsible for the large increase in chickens raised on farms this year. Changes in the feed-chicken ratio usually are indicative of changes in commercial broiler and fryer production.

Demand for Broiler Chicks Continuing Strong

Despite a Little Less Favorable
Feed-Chicken Ratio

Production of baby chicks by commercial hatcheries in November this year (21,929,000 chicks) was 66 percent larger than the previous record for November in 1940. Although the proportion of this output that was used for pullet production was a little larger than in November 1940, the number used for specialized broiler and fryer production was considerably larger than in November last year. The November commercial hatchery production brings the total output for the first 11 months of this year to 1,028 million chicks. Specialized broiler and fryer production this year is expected to be at least 150 million birds.

Chicken prices have advanced somewhat since the period of heaviest marketings, and the relationship of feed prices to chicken prices has become a little more favorable to producers despite further advances in feed prices. If prices of the various classes of chickens advance the full seasonal amount during the next few months the feed-chicken price ratio probably will continue to improve. Specialized broiler and fryer production, therefore, may continue the largest on record at least well into next year. On December 1, advance orders for baby chicks were 65 percent larger than on December 1, 1940.

The favorable egg prices in prospect for the spring of 1942 are expected to result in a demand for chicks even stronger than that which prevailed in the spring of 1941. The number of chickens raised on farms in 1942 is expected to be a little larger than in 1941, and the total slaughter of chickens in the United States next year is expected to be even larger than the record slaughter this year. Prices received by farmers for chickens in 1942, however, are expected to average higher than in 1941. Domestic supplies of other meats are expected to be the largest in many years but the stronger all-around demand is expected to result in higher prices for farmers for most livestock and livestock products.

TURKEYS

Wholesale prices for live turkeys at Chicago advanced somewhat from the level around December 1, but in mid-December they were still a little lower than in mid-November. Wholesale prices of dressed turkeys advanced more than the price of live turkeys during the first part of December, and in the middle of the month were a little higher than in mid-November. Prices of both live and dressed turkeys are considerably higher than a year ago.

The favorable turkey price situation this fall is the result of slightly smaller marketings and a much stronger consumer demand. The net into-storage movement of turkeys during November was the smallest for that month since 1935, and stocks on December 1 were 35 percent smaller than the record holdings for that date in 1940 and were the smallest for December 1 since 1938.

The year 1941 as a whole was very favorable for turkey raisers. Feed costs advanced fairly steadily during the turkey growing season but turkey prices advanced also and the feed-turkey price ratio averaged more favorable than in 1940 and considerably more favorable than average. More turkeys are being saved for breeding purposes next year, and as a result turkey production in 1942 is expected to reach a new high.

Price per pound received by farmers for live turkeys, United States :

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	: 15	: 15	: 15	: 15	: 15	: 15	: 15	: 15	: 15	: 15	: 15	: 15
	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents
Average:												
1935-39:	17.2	16.8	16.5	16.2	15.5	14.7	14.6	14.4	15.3	16.1	17.2	17.5
1938	17.5	17.7	17.2	17.0	16.4	15.6	15.7	15.0	16.0	16.5	17.1	18.4
1939	18.3	17.5	17.6	16.9	15.6	14.7	14.4	14.3	15.4	15.3	16.0	15.6
1940	14.2	14.0	13.7	13.5	13.2	12.9	12.9	13.4	14.3	14.7	15.5	15.9
1941	15.5	15.1	15.2	15.5	15.4	15.4	15.8	16.1	17.5	18.8	20.2	

Agricultural Marketing Service data.

FEED SITUATION

This year's corn crop is of poorer quality than in any of the past 3 years, and prices of the higher grades are high relative to prices of lower grades. Excessive rains earlier in the fall delayed harvesting in a large part of the Midwest but in recent weeks the weather in that area has been more favorable.

Prices of corn and oats and byproduct feeds advanced slightly in early December following the spread of war. Following the entry of the United States into the first World War, prices of feed grains advanced sharply. Supplies of feed per animal unit are much larger now than during the previous war, however. Much smaller advances in feed prices may occur during 1941-42 than occurred in 1917. During the next few weeks corn prices may be supported somewhat

by the higher loan rate on 1941 corn. The loan rate on 1941 corn in the central commercial area will average 74.8 cents and will vary from 69 to 79 cents compared with a flat loan rate of 61 cents per bushel on 1940 corn.

The cost of poultry ration, based on wholesale prices at Chicago, advanced during the first half of December, but was more than offset by an increase in egg prices and the feed-egg ratio continued favorable for producers. The number of eggs required to buy 100 pounds of feed probably will increase seasonally during the next several months but the ratio is expected to continue favorable for egg production.

Feed-egg ratio at Chicago

(Dozens of eggs required to buy 100 pounds of poultry ration)

Year	Week ending as of 1941-42											
	Feb. : 22	June : 28	Sept. : 27	Oct. : 25	November : 15 : 22 : 29			December : 6 : 13 : 20			Jan. : 27 : 31	
	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.
Average:												
1930-39:	6.06	6.86	5.65	4.73	4.03	4.09	4.23	4.50	4.75	4.93	4.83	5.89
1939 :	6.21	6.71	6.39	5.13	4.62	4.73	5.68	6.23	6.63	6.62	6.62	5.56
1940 :	6.23	7.57	6.02	5.95	5.76	5.34	4.53	4.30	4.75	4.75	5.53	7.13
1941 :	7.48	5.19	5.22	4.61	4.14	4.02	3.99	4.47	4.59			

Agricultural Marketing Service data.

DOMESTIC DEMAND

The money income of consumers is expected to continue to increase, food-for-defense buying will be expanded, and speculative and storage demand for farm products unaffected by price ceilings may be stimulated by the spread of hostilities. The expected increase in the money income of consumers is based on the outlook for further gains in industrial activity, employment, wages, and prices. Curtailment of production of some civilian goods such as automobiles, household equipment, and residences, will tend to increase the proportion of funds available for other types of consumers' goods and services, including food, clothing, and amusements. The higher taxes to be paid next year may result in lowering net money incomes after taxes for some of the higher income groups of consumers. The lower income groups, however, will be little affected by the tax increases which have been made to date, and it is this group which spends a relatively large proportion of its income for food.

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