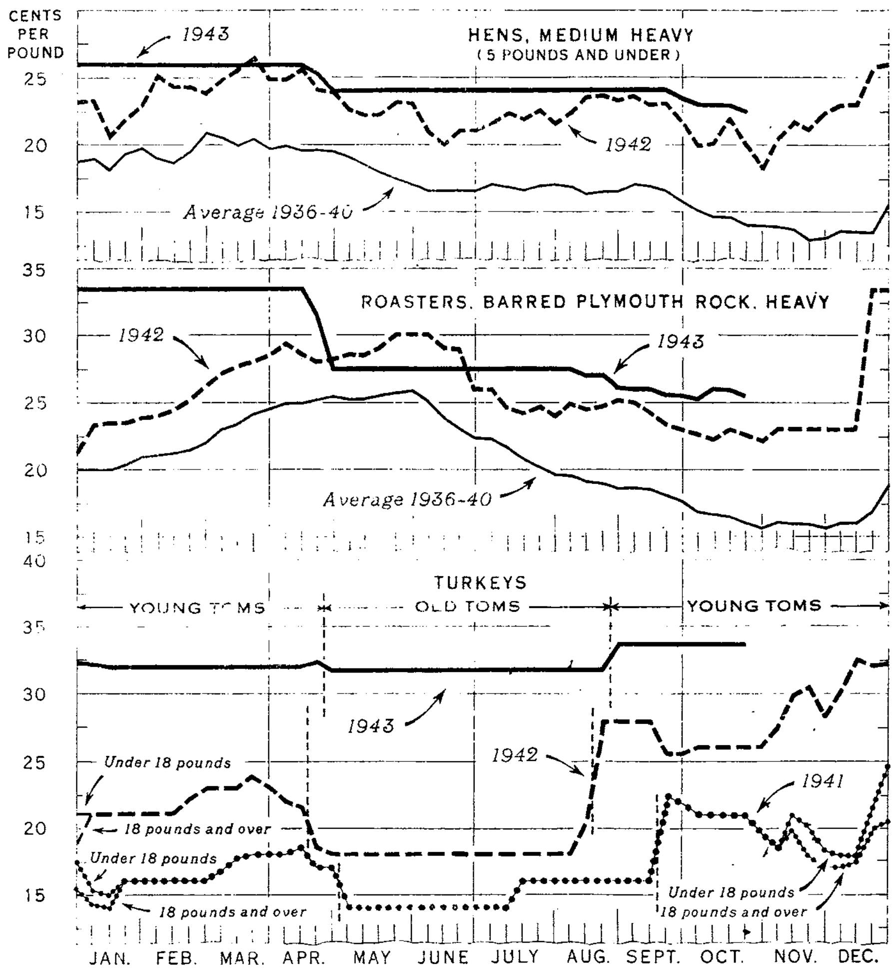
THE Poultry and Egg SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

BAE

PES-83 NOVEMBER 1943

WHOLESALE PRICES OF LIVE POULTRY, SELECTED CLASSES, CHICAGO, AVERAGE 1936-40, AND 1941-43



U. S. DEPARTMENT OF AGRICULTURE NEG. 39708 BUREAU OF AGRICULTURAL ECONOMICS

Prices for all live poultry were firm at ceiling levels during most of the first 8 months of 1943. But during the fall period of record high seasonal marketings prices of live chickens and fowl fell slightly below these levels.

Limited supplies of labor have tended to hamper dressing operations in some markets so that the storage situation has become very tight.

Marketings of turkeys have been about the same this season as last and turkey prices have continued firm at ceilings.

STATISTICAL SUMMARY

ITEM	UNIT	OCTOBER AVERAGE		1942		1943		PCT. OF YEAR EARLIER
		PERIOD	AVERAGE	SEPTEMBER	OCTOBER	SEPTEMBER	OCTOBER	
Number of layers on farms	*Million*	1932-41	279.6	303.0	339.1	332.0	366.4	108
Number of eggs laid per hen	*Number*	1932-41	7.08	10.00	8.12	9.95	8.11	100
Total farm production of eggs	*Mil. doz.*	1932-41	163.9	252.6	229.4	275.3	247.7	108
Stocks, eggs U. S.:[1]								
Shell	*1,000 case*	1932-41	4,139	5,421	3,117	6,018	3,992	128
Frozen	*1,000 case*	1932-41	2,723	6,263	4,809	8,165	6,306	131
Total	*1,000 case*	1932-41	6,862	11,684	7,926	14,183	10,298	130
Apparent egg disappearance:								
Storage shell eggs	*Mil. doz.*	1932-41	58.6	21.5	44.2	30.2	36.6	83
Frozen eggs	*Mil. doz.*	1932-41	12.0	6.4	21.0	7.4	32.3	154
Total shell egg equivalent	*Mil. doz.*	1932-41	243.1	262.2	273.3	288.1	286.7	105
Dried egg production	*Mil. lb.*	--	--	21.7	22.8	19.9	23.2	102
Commercial hatchery operations:								
Eggs set	*Million*	--	--	34.5	35.2	37.9	40.2	114
Chicks hatched	*Million*	--	--	22.2	23.4	24.5	25.5	109
Receipts:								
Poultry, dressed, four markets	*Mil. lb.*	1932-41	35.2	43.2	57.1	41.1	51.0	89
Poultry, live Chicago[2]	*Car*	1937-41	411	518	560	446	480	86
Poultry, live, New York[2]	*Car*	1937-41	681	820	714	858	822	115
Poultry, live, Midwest, per plant	*1,000 lb.*	1932-41	28.58	44.59	43.05	42.60	48.67	113
Fowl (hens), live, Midwest, per plant	*1,000 lb.*	1932-41	10.57	15.73	18.88	15.76	21.20	112
Young stock, live, Midwest, per plant	*1,000 lb.*	1932-41	17.57	27.84	23.78	26.30	26.97	113
Stocks, poultry:[1]								
Broilers	*Mil. lb.*	1932-41	13.0	9.3	10.8	9.5	12.4	115
Fryers	*Mil. lb.*	1932-41	8.9	11.3	16.5	9.5	15.4	93
Roasters	*Mil. lb.*	1932-41	14.8	20.1	36.2	14.8	28.5	79
Fowls (hens)	*Mil. lb.*	1932-41	16.4	29.8	44.1	23.8	40.0	91
Turkeys	*Mil. lb.*	1932-41	4.9	8.0	12.7	9.8	14.4	113
Ducks	*Mil. lb.*	1932-41	7.4	9.4	8.0	3.6	3.4	42
Miscellaneous and unclassified	*Mil. lb.*	1932-41	24.1	27.7	32.7	15.4	25.7	79
Total poultry	*Mil. lb.*	1932-41	82.1	115.5	161.0	86.3	139.7	87
Prices received by farmers:								
Eggs, per dozen	*Cent*	1932-41	25.3	34.7	37.4	41.6	45.2	121
Eggs, parity price per dozen	*Cent*	1932-41	34.6	37.3	42.0	40.5	45.0	107
Eggs, percentage of parity	*Percent*	1932-41	73	93	89	103	100	
Chickens, per pound	*Cent*	1932-41	13.5	20.3	19.5	25.2	24.6	126
Chickens, parity price per pound	*Cent*	1932-41	14.7	17.4	17.6	18.8	18.9	107
Chickens, percentage of parity	*Percent*	1932-41	91	117	111	134	130	
Turkeys, per pound	*Cent*	1937-41	16.4	21.7	23.9	29.0	29.9	125
Turkeys, parity price per pound	*Cent*	1937-41	18.9	22.0	22.2	23.8	23.9	108
Turkeys, percentage of parity	*Percent*	1937-41	87		93		125	
All farm commodities (1910-14 = 100)	*Index no.*	1932-41	102	163	169	193	192	114
Chickens and eggs (1910-14 = 100)	*Index no.*	1932-41	118	166	173	201	212	123
Wholesale prices, Chicago:								
Eggs, standards, per dozen[3]	*Cent*	1932-41	23.9	35.5	39.7	42.9	43.7	110
Live heavy hens, per pound	*Cent*	1937-41	17.7	22.6	20.7	23.9	22.8	110
Live broilers, per pound	*Cent*	1937-41	20.1	27.3	28.0	25.8	25.6	91
Live roasters, light, per pound	*Cent*	1937-41	17.2	25.2	25.1	25.8	25.6	102
Live roasters, heavy, per pound	*Cent*	1937-41	16.6	24.2	22.7	25.8	25.6	113
Wholesale prices, New York:								
Dressed broilers, 25-30 pounds per dozen, per pound	*Cent*	1932-41	20.6	30.5	29.8	36.5	37.2	125
Dressed roasters, 48-54 pounds per dozen, per pound	*Cent*	1932-41	20.3	32.8	30.4	36.5	37.2	122
Dressed fowls, 48-54 pounds per dozen, per pound	*Cent*	1932-41	19.3	29.5	28.3	32.5	33.2	117
Cash farm income:								
Total marketings	*Mil. dol.*	1937-41	1,082	1,726	1,962	1,948	--	113
Poultry and eggs	*Mil. dol.*	1937-41	75	119	145	188	--	158
Price ratios:								
Chicago, broiler-feed	*Lb. feed*	1937-41	17.0	15.9	17.2	11.9	11.7	68
Chicago, light roaster-feed	*Lb. feed*	1937-41	14.4	14.7	15.4	11.9	11.7	76
Farm, egg-feed	*Lb. feed*	1932-41	23.4	20.7	23.1	19.8	20.9	90
Farm, chicken-feed	*Lb. feed*	1932-41	12.3	12.1	12.0	11.7	11.4	95
Farm, turkey-feed	*Lb. feed*	1937-41	14.6	12.9	14.8	13.5	13.8	93
Farm, egg-laying mash	*Lb. feed*	--	--	11.9	12.8	12.2	13.1	102
Laying mash, cost per cwt.	*Dollars*	--	--	2.91	2.92	3.41	3.45	118
Feed cost per cwt., farm poultry ration	*Dollar*	1932-41	1.18	1.68	1.62	2.15	2.13	133
Wholesale food prices (1935-39 = 100)	*Index no.*	1932-41	96.0	129.5	130.7	132.7	132.9	102
Retail food prices (1935-39 = 100)	*Index no.*	1932-41	98.3	126.6	129.6	137.4	138.2	107
Prices paid by farmers including interest and taxes (1910-14 = 100)	*Index no.*	1932-41	129	153	154	165	166	108
Retail prices (BLS):								
Roasters, dressed, per pound	*Cent*	1932-41	29.4	42.5	42.4	44.5	44.1	104
Eggs, strictly fresh, per dozen	*Cent*	1932-41	40.8	55.2	58.5	62.7	67.2	115
Nonagricultural employees' compensation (1935-39 = 100)	*Index no.*	1932-41	103.2	198.2	206.7	244.1	--	123

[1]End of month. Frozen eggs converted to case equivalent.

[2]Car equivalent of receipts by freight, truck, and express.

[3]Fresh first October 1932-41 average, September, October 1942; standards, 43 pounds, September, October 1943.

THE POULTRY AND EGG SITUATION

Summary

A record quantity of chicken will be available for civilian consumption this holiday season. Supplies of turkey, on the other hand, will be moderately smaller than a year earlier, since slaughter will be a little less than last fall and increased quantities will be taken for the military forces. For 1943 as a whole, per capita consumption of chicken and turkey will be nearly 33 pounds compared with less than 26 pounds in 1942. Marketings of both chickens and turkeys, as usual, will be seasonally heavy in the last quarter.

Even at the record high supply levels, however, the unprecedented consumer demand for poultry at ceiling prices is not likely to be fully satisfied. Demand for turkey, particularly, will exceed supplies by a wide margin.

In recent weeks, under pressure of seasonally heavy farm marketings of chickens and old hens, and shortages of labor and storage space, prices of live birds in some markets have been somewhat below maximum levels permitted by Office of Price Administration regulations. Practically all quotations on dressed poultry, on the other hand, have been firm at ceilings. The average price received by farmers for chickens in mid-October was 24.6 cents per pound compared with 19.5 cents in October last year.

Demand for baby chicks apparently has slackened somewhat in recent weeks following continued tightening in the feed-supply situation, but it is relatively strong for this season of the year.

With more layers on farms, prospective supplies of eggs for civilians in the last 3 months of 1943 are slightly larger than a year earlier and the

largest on record for the period. Egg production, per layer, during October was lower than a year earlier in the North Atlantic States and in the Western States, but this was almost entirely offset by a higher average rate in the West North Central States. The decline in egg consumption from the spring peak to the fall low was unusually small during 1943.

Ceiling prices for shell eggs have started to decline as prices usually do this time of year. Reflecting the record purchasing power and quality preference, demand for top-grade eggs has exceeded supplies at ceiling prices by an increasing margin in recent weeks. Prices of lower grades have strengthened, but supplies of most eggs of such grades have been sufficient to meet demand at top levels. Egg production on farms has begun to increase seasonally, but demand probably will continue to exceed available supplies of better eggs during the balance of 1943.

-- November 22, 1943

RECENT DEVELOPMENTS

Numbers of Layers Increasing Seasonally

The number of layers on farms began to increase seasonally in August as poultrymen started to add pullets in substantial numbers from this year's record hatch to laying flocks. The increase that has taken place in the United States as a whole so far this fall, however, has been slightly less than last fall, both in percentage and in actual numbers. The increase this fall, nevertheless, has been relatively larger than the 10-year average change for the corresponding period.

Receipts of fowl at Midwest primary markets were the heaviest on record during October. This suggests that farmers in that area are culling their potential laying flocks relatively heavier this fall than last, but the actual increase in number of layers from September to October in the North Central States was slightly larger than a year previous.

During October the number of layers on farms was larger than a year earlier in all except five States and the United States total was 8 percent larger than in October 1942.

Egg Production Continues at High Level

The rate of lay per bird in the United States declined less than seasonally from September to October. In the latter month the rate was equal to the record of a year earlier. In some sections of the Nation, particularly in the Northeast, the rate of lay was slightly below that of a year earlier, indicating that the tightening feed situation probably has begun to affect the rate of production per bird adversely. In the North Central States, where 48 percent of the October eggs were produced and where feed is relatively abundant, the rate of output per bird averaged 2 percent higher than for that month in 1942 and about the same as the record set in 1941.

Total egg production in the United States during October was 8 percent larger than in the corresponding month of 1942. October production was the same as a year earlier in the North Atlantic area but exceeded the output of October 1942 in other regions by from 3 to 16 percent.

In the January-October period, total production of eggs in the United States was 13 percent larger than in the corresponding period of 1942. By regions the increases over the 1942 output were as follows: North Atlantic, 8 percent; East North Central, 10 percent; West North Central, 16 percent; South Atlantic, 10 percent; South Central, 16 percent; and West, 10 percent.

Receipts of eggs at Midwest primary markets during the first 3 weeks of October were larger than a year earlier, but similar data for the Northeast and Pacific Coast indicate smaller receipts than last year, even though production apparently was at least as large. This apparently reflects a continuation of the shift away from usual marketing channels that began earlier in the fall. Receipts of eggs at the four terminal markets averaged larger than a year earlier during October and the first half of November.

Based on highly tentative data for October, the apparent disappearance of shell and frozen eggs for civilians is indicated to have been slightly larger than the previous record set in October 1942.

> Beginning with this issue, preliminary data on monthly disappearance of eggs will be included in the Statistical Summary which regularly appears on page 2 of The Poultry and Egg Situation. These data will be comparable to the series presented in the October issue for the period 1925 to date.

Wholesale Egg Prices Firm at Declining Ceilings

On October 30 the Office of Price Administration announced a continuation of maximum prices for wholesale grades of shell eggs. This action, taken through Amendment 17 to Maximum Price Regulation 333, provided separate ceiling prices for five groups of grades instead of only four, as was in effect through October 30 under Amendment 13. A single maximum price applies to Standards and current receipts. The grades Extras and Specials, each, are divided into two groups of grades -- numbers 1 and 2 for the upper grades, numbers 3 and 4 for the lower grades within each designation. The maximum price schedule for all wholesale grades provides for price decline during November, with the higher grades declining the most and lower grades the least. The ceiling price for consumer Grade A began to decline in the second week of November, Grade B the last week of November; for Grade C, the maximum price was unchanged.

Seasonally declining receipts of eggs, especially of top-grade stocks -- in the face of apparent strengthening consumer demand and reduced ceiling prices -- resulted in increased pressure on established maximum levels for top-grade eggs and increases in prices for those of lower quality toward the ceilings. A qualitative analysis, based on the limited information available, suggests that in mid-November demand for eggs exceeded supplies by about the same degree as a year earlier when maximum prices at the temporary freeze levels were moderately lower than the ceilings now in effect.

The average price received by farmers for eggs in mid-October was 45.2 cents per dozen compared with 37.4 cents a year earlier, an increase of 7.8 cents per dozen. The average retail price of eggs in mid-September in 51 cities, at 62.7 cents per dozen, was 7.5 cents higher than in September last year.

Net Withdrawals of all Eggs from Storage in October Largest on Record but Storage Stocks Show Increase Over Last Year

Because receipts of fresh eggs have been larger than a year ago, and because prices of most fresh eggs of lower grades have been a little below ceilings, withdrawals of shell eggs from storage during October were a little smaller this year than last. The higher ceiling prices for November also may have helped encourage storage operators to hold their eggs for later sale. Total net withdrawals of shell eggs from storage during October were 2 million cases compared with 2.3 million cases in October 1942. Prices of oil-treated storage eggs have been firm at ceiling prices. Other storage eggs have been selling a little below ceiling levels.

Although withdrawals of frozen eggs in October were 28 percent larger than in that month last year, stocks of such eggs remaining in storage on November 1 were 31 percent larger — 1.5 million cases equivalent -- than on November 1, 1942. The shell egg equivalent of all eggs in storage on November 1 totaled 10.3 million cases compared with 7.9 million cases on November 1, 1942. The light withdrawal of shell eggs in October was offset by the heavier withdrawal of frozen eggs, so that the net out-movement was 3.9 million cases compared with the previous record a year earlier of 3.8 million cases.

A larger proportion of the November 1 egg holdings will be used for drying this year than last, since commitments outstanding call for the delivery of 55 million pounds of dried egg to War Food Administration in December and January. Contracts outstanding on November 1 called for the delivery of 21 million pounds to WFA during November, but a large part of that amount no doubt had been produced prior to November 1. Through mid-November 1942 commitments had been made only through December -- the total amount for December was less than 16 million pounds.

Up to mid-November, requests from egg dryers for cancellation of forward contracts for delivery of dried egg to WFA had been granted by the Government agency for about 13.4 million pounds. A substantial part of this quantity, however, will be delivered to the military forces. Hence, the over-all cancellation program has added relatively few eggs to civilian supplies over those in prospect earlier in the fall. The data of purchases in the following table have been adjusted for cancellations made through November 15. In early October the War Food Administration discontinued purchasing dried egg for delivery this season.

Purchases of dried whole eggs by the War Food Administration through November 15, 1943, by delivery months

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
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	19.6	19.9	16.1	16.5	20.8	28.5	210.8
1944	26.1												

Dried Egg Production Larger in October than in September

Production of dried egg in the United States increased moderately during October in line with the increased deliveries called for by forward contracts with the WFA. Total output in October was 23.2 million pounds compared with 19.9 million pounds in September and 22.8 million pounds in October 1942. Dried egg output in the first 10 months of 1943 was 219 million pounds compared with 203 million pounds in the corresponding period of 1942.

In early November the Office of Price Administration restored price differentials for the delivery to civilians of small quantities of dried albumen. The differentials which were restored had been in effect prior to September 14, 1943. An increase over base prices, because of relatively small amounts, is now allowed on weekly purchases which average less than 3,000 pounds. Since the termination of Food Distribution Order 41 in early October, unlimited sale of dried egg products for civilian use has been permitted.

Marketings of Chickens Continuing Relatively Heavy

Sales of both young stock and mature hens by farmers continued at record levels into November. In the first half of the month receipts of young stock at Midwest primary markets averaged 19 percent larger than a year earlier and were only moderately below the seasonal peak reached in early October of this year. Receipts of fowl reached a new all-time peak in the third week of November, with an average for about 200 Midwest plants of over 25,000 pounds per plant, 69 percent larger than in the corresponding period of 1942. The smaller average receipts of young stock in the Midwest up to October 1 compared with a year earlier -- despite the much larger number of birds raised, especially in the late season -- would be reason for expecting relatively much greater marketings of young birds for the balance of the season than prevailed a year earlier.

Receipts of dressed poultry at New York since mid-September have been larger than a year earlier. In the period of October 23-November 6, receipts at the four largest dressed poultry markets, also, were a little larger than a year earlier -- an increase which has occurred for the first time since last February. These receipts include any inter-market shipments of storage poultry and any turkeys or other poultry passing through these cities bound for overseas military forces.

Prices of live chickens at Chicago increased somewhat in early November. In the first part of that month, prices of such live birds were slightly higher than in mid-October, and were the highest for this season since the last week in August. Compared with a year earlier, mid-November prices of young chickens ranged from 6 percent less for broilers to 9 percent higher for fryers. Prices of live fowl at Chicago also strengthened slightly in early November, but in the middle of that month were a little less than a month earlier and ranged from 98 to 105 percent of a year earlier. For dressed young birds at New York, prices have been firm at ceiling levels, 14 to 32 percent higher than a year ago. Prices of dressed fowl at that eastern market, also firm at ceiling levels, were higher than prices a year earlier by 14 to 34 percent. The average price received by farmers in the United States for all classes of chickens in mid-October, at 24.6 cents per pound, was 1 cent below the high reached in August for this war period. This mid-October average, however, was about 5 cents, or 26 percent, higher than in mid-October last year, and the highest for October since 1920.

October Into-Storage Movement of Poultry Largest on Record for Month

The into-storage movement of poultry which began on a moderate scale in late June continued at record levels through October. On November 1, holdings of poultry in storage totaled 140 million pounds; a year earlier holdings were 161 million pounds; but the 1932-41 average holdings were only 82 million pounds. Stocks of all classes except ducks increased during October. The greatest relative increase was shown for roasters. Holdings of this class were about doubled, but the increase did not quite equal that of October 1942.

The freezer storage space situation eased up moderately during October. Freezer space occupancy on November 1 was reported at 89 percent of capacity, compared with 90 percent on October 1 and 79 percent on November 1, 1942.

Goals Established for 1944

Following a series of State goals meetings, the War Food Administration announced on November 11 national production goals for most agricultural products for 1944. Achievement of the acreage goals will require using about 380 million acres for crops in 1944, compared with about 364 million acres in 1943. Among the livestock and livestock products, decreases in farm production are suggested for all items except eggs and milk. Most of the livestock goals were announced in terms of numbers to be raised or in terms of numbers on farms at the end of 1944. Slaughter would be large in proportion to numbers produced on farms and the dressed weight of the slaughter of red meats in 1944, if the goals are attained, would be about the same as in 1943. If the goals for numbers of chickens and turkeys to be raised are attained, the slaughter of chicken would be about the same as in 1943 -- about 3,800 million pounds -- while the slaughter of turkey would be slightly smaller -- totaling perhaps 460 million pounds.

The goals for poultry and eggs, as announced on November 11, are given in the following table:

Poultry goals for 1944 with comparable data for specified earlier years

Item	Unit	Average 1937-41	1942	1943 (tentative indications)	1944 goal	1944 goal as a percentage of 1943 indications
Eggs produced on farms	Mil. doz.	3,252	4,018	4,516	4,597	102
Chickens raised on farms	1,000 hd.	656,464	794,787	925,652	892,983	96
Commercial broilers produced 1/	"	110,927	204,060	248,576	208,805	84
Turkeys raised on farms 1/	"	30,723	33,157	33,069	32,041	97

1/ On the basis of recent returns from a few States, the United States totals for broilers and turkeys were revised slightly from the figures released on November 11.

Since the data given for 1943 are highly tentative, the percentage changes shown may change as later information becomes available. The data given comes from production only. Nonfarm production of eggs is estimated at 10 percent of the farm output and the nonfarm slaughter of chickens is estimated at 10 percent of the slaughter of chickens consumed on farms plus those sold from farms. It is estimated that there is only a negligible amount of nonfarm turkey production in the United States. Relatively heavy orderly culling of laying flocks in early 1944 -- which is desirable from the standpoint of efficient feed utilization of feed -- would add to the available meat supply. Steady culling would tend to reduce the rate of mortality.

Attainment of all suggested individual livestock goals is contingent upon substantial reduction in the amount of feed fed to hogs, and some reduction in amounts fed to cattle and to poultry other than laying birds. Hog production and surplus feed production are both centered in the North Central States, and any tendency of hog production to exceed the goals in that area will interfere with the shipment of adequate amounts of feed to deficit areas. Under current ceiling prices on hogs and corn, it is generally more profitable to feed corn to hogs than to sell it in the cash markets.

Feeds which may be distributed to the deficit areas in lieu of the desired corn are barley, oats, and feed wheat. Oats and barley are without ceiling prices. Control of a large part of the domestic supply of feed wheat by the Commodity Credit Corporation will favor shipments to deficit areas, as will also the circumstances surrounding imports. Since poultrymen use relatively large amounts of commercially mixed feeds, continued light sales of grains by farmers affect poultrymen in all parts of the Nation. Adverse effects on production, of course, would be much less in surplus feed areas than in deficit areas.

OUTLOOK

BACKGROUND.- The surplus of feed grains, over a normal carry-over, was reduced to very low levels in the middle 1930's because of severe drought in 1934 and 1936. Beginning in 1937, however, with increased yields through favorable weather and increased use of hybrid corn, and a Government loan program in effect, reserve stocks of corn and some other grains increased. An all-time high in the total carry-over of feed concentrates was reached at the beginning of the 1940-41 feeding year. Production of feed concentrates increased for 7 years ended in 1942; but with the maintenance of unusually favorable livestock product-feed price relationships since 1940-41, production of livestock products has increased even more rapidly than production of feed concentrates. Consequently the carry-over of feed concentrates (excluding potential supplies of feed wheat) has declined steadily from the record level reached at the beginning of the 1940-41 season.

Total production of livestock and livestock products in 1943 will be about 138 percent of the 1935-39 average output. By groups of commodities the percentage will be about as follows: Meat animals (slaughter) 151 percent; poultry (slaughter) and poultry products, 153 percent; and dairy products, 112 percent.

Supplies of Feed Concentrates Slightly Less Than in 1942-43

The November 1 estimate of corn production -- 3,086 million bushels -- was 30 million bushels above the estimate of October 1 and only 90 million bushels under the all-time record crop in 1942. Altogether, indications now point to a total output of feed grains this year of nearly 116 million tons, 1 million tons more than was indicated in October and only 8 million tons under the record output of last year.

The estimated supply of all high-protein feeds is now 11.3 million tons compared with 11.2 million tons last season. Prospective supplies of all feed concentrates in 1943-44 total 169 million tons, compared with the 1942-43 production of 173 million tons, the 1937-41 average of 136 million tons, and

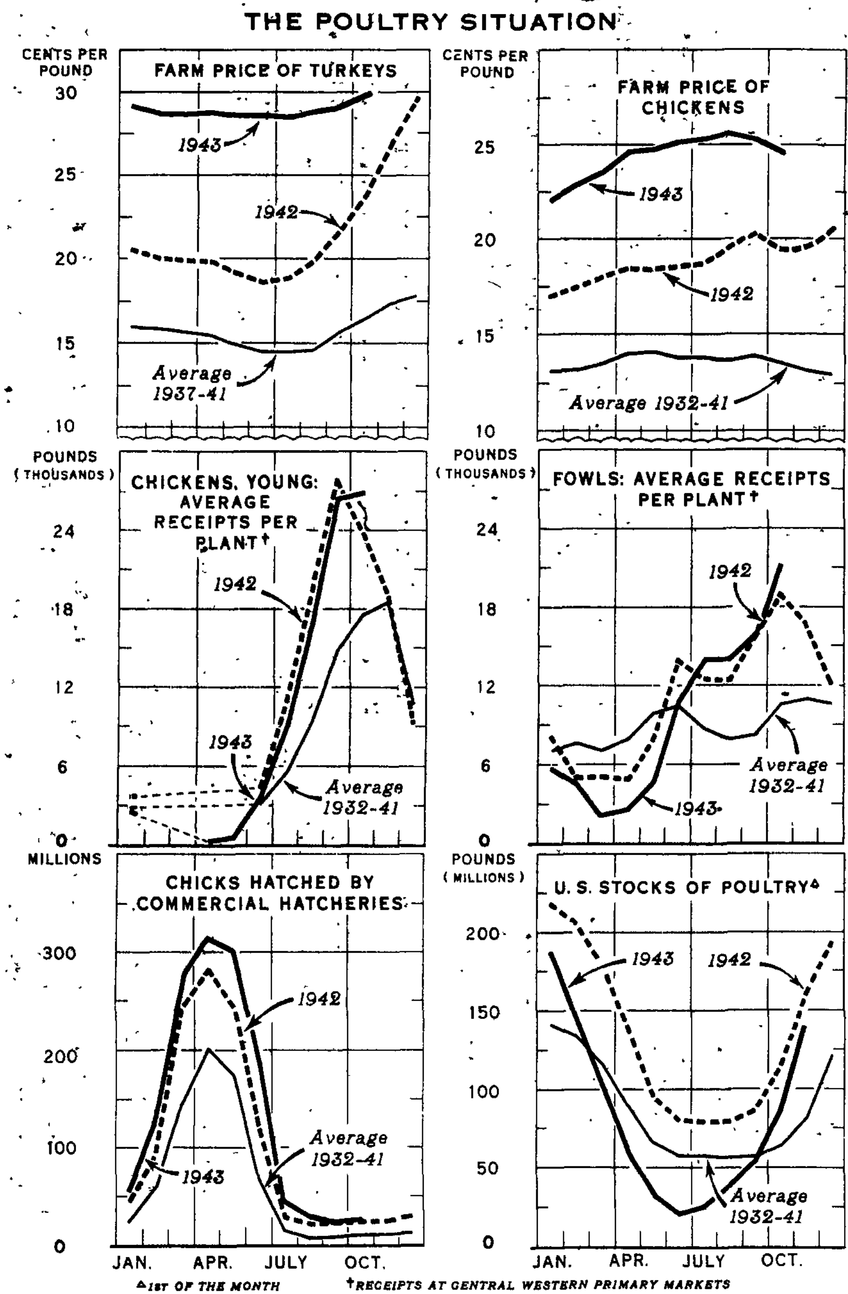


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FIGURE 1

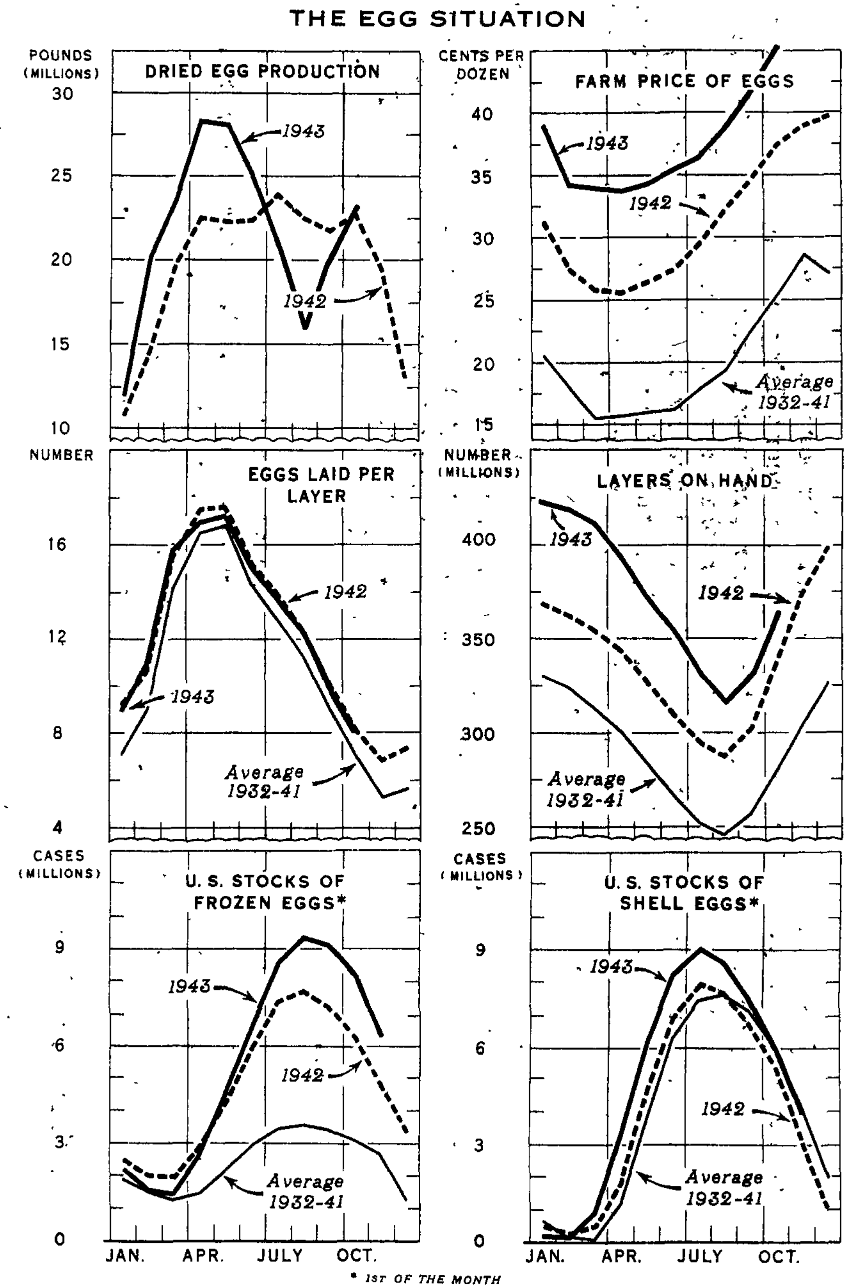

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FIGURE 2

the 1935-39 average of 118 million tons. Numbers of animal units on farms January 1, 1944, are likely to be about 10 percent larger than a year earlier. Hence the supply of feed concentrates per grain-consuming animal unit probably will be approximately 12 percent smaller this season than last. But by drawing on reserve supplies of feed grains that are available as a result of the accumulation during the 1937-39 period, actual disappearance of concentrates per animal unit may be slightly larger than average, though about 10 percent below the 1942-43 record level.

With disappearance of feed grains running at a very high level through September this year, it is likely that a larger-than-usual proportion of the total supply will be consumed during the first half of the present October-September marketing year. Relatively heavy marketings of livestock may occur during the first quarter of 1944. Nevertheless, the pinch in feed supplies probably will become most acute in the spring and early summer of next year.

The average price paid by farmers for laying mash has increased steadily during the past year. In mid-October the U. S. Average was $3.45 per 100 pounds, compared with $2.92 a year earlier and $2.63 in October 1941. The relationship between egg prices and feed prices based on these prices of laying mash continues somewhat more favorable than a year ago.

Hatchery Output Increasing Seasonally

Commercial hatchery production of baby chicks established new high records in all months so far in 1943. The late season output, particularly the June production, exceeded the output of a year earlier by a greater degree than any other part of the year. Production has declined more than seasonally since June but has continued larger than the record a year earlier. The October production of 25.5 million chicks was 9 percent larger than the output a year previous, and seasonally larger than the September production. The number of eggs set increased more than seasonally from September to October and in the latter month was 14 percent larger than in the corresponding month of 1942. Hatchery output usually reaches the seasonal low for the year in August or September and then increases until the April peak the following spring. Usually, of course, about three-fourths of the number of chicks hatched annually is produced in the 3 months March-May, the period when chicks are hatched for laying flock replacements.

The number of chicks booked on November 1 for later delivery was 61 percent larger than on November 1, 1942. This number, of course, includes some orders for delivery through the main hatching season of next spring. Some reports have indicated a moderate slackening in demand for chicks beginning in mid-October. Nevertheless the over-all demand for chicks, as gauged by available information of eggs set and advanced bookings, is at a record level for this season of the year.

Supplies of Poultry to Decline Seasonally

Farm marketings, of both fowl and young stock, are likely to continue of record proportions for several months; but the total movement will decline sharply from present levels, as happens every year. However, with present hatchings indicating more commercial broilers for the early months of 1944 and probably continued heavy culling of laying flocks, total supplies of chicken meat in the early part of 1944 may be slightly larger than a year earlier. Demand, however, probably will be even stronger than it was in the first half of 1943 and may exceed supplies by about the same degree as in the first 6 months of this year, if not by a greater degree.

Civilian Supplies of Turkey Smaller Than a Year Earlier

Turkey marketings have been seasonally heavy for several weeks. But with substantial quantities being used to fill forward commitments with the armed forces, and an unprecedented consumer demand in and near producing areas, relatively few turkeys have been received at terminal market centers. Demand at ceiling prices exceeds available civilian supplies by a considerable degree -- apparently even larger than a year ago. This, of course, would be expected in view of a stronger consumer demand and slightly smaller civilian supplies.

Total slaughter of turkey in the calendar year 1943 will be about 480 million pounds. About 10 percent of this was slaughtered prior to October 1 and about 10 percent of the slaughter in the last quarter of 1943 will be used by the armed forces. Nevertheless, total supplies available for civilians in the last quarter will still be moderately larger than the pre-war average for the corresponding period.

Egg Production to Increase Seasonally

With limited feed supplies in deficit feed areas and poultry housing limitations in surplus feed areas it is likely that the number of layers will continue to increase at a less rapid rate than a year earlier until the annual peak is reached about January 1. The record number of pullets not of laying age still on farms November 1 would permit continued heavy culling of laying flocks without interfering with the seasonal increase in numbers of potential laying stock. On November 1 the number of pullets not then of laying age was 21 percent larger than on November 1, 1942. The number of potential layers -- all hens and pullets -- on that date was 11 percent larger than a year previous. Data showing heavy receipts of fowl at Midwest primary markets indicate slightly smaller additions to laying flocks, compared with a year earlier. This decrease in additions to laying flocks, now continuing, first occurred from September to October.

The rate of lay per bird normally reaches the seasonal low point in November and then becomes greater. Hence total egg output in the United States will increase each month until the seasonal peak for 1944 is reached next April. Unless the rate of lay is sharply reduced by severe weather, supplies of eggs for civilians will be at a record high for the next few months so that the over-all demand for eggs at ceiling prices will be closely filled in most consuming centers. The demand for top-grade eggs at ceiling prices has been exceeding supplies by an increasing degree in the last few weeks and probably will continue above supplies throughout the fall and first part of the winter period. Ceiling prices for all eggs have started to decline seasonally. But with much stronger consumer purchasing power than prevailed a year ago the demand at ceilings exceeds the increased supplies by a sizable margin in most teminal markets. So far this fall, however, acute shortages in some cities have not developed as occurred a year ago, when temporary ceiling prices were in effect from October 5 onward.

EGG-LAYING MASH PRICE RATIOS, BY REGIONS, 1941-43

The egg-feed price ratio most generally used is based on a fixed mixture of ingredients. This procedure, of course, does not make allowance for instances of some ingredients being unobtainable or high in price relative to substitutable ingredients. In January 1943, there were published in Agricultural Prices estimated monthly prices paid by farmers for laying mash by States for the period since January 1941. Comparable data have been published monthly since January 1943. These data are based on quotations obtained from country merchants, feed dealers, produce dealers, and farmers. The price is obtained for 100 pounds of laying mash regardless of the composition. And since commercially mixed laying mash is so generally used, this series closely approximates prices paid by farmers for feed actually purchased for producing eggs. The series is comparable to the estimates of prices received by farmers for eggs in that both prices if multiplied by the quantity transacted would give the actual total value of the exchange for any given period. Regional and national weighted averages for laying mash are obtained by weighting the State prices according to the estimated volume of purchases.

In table 1 egg-laying mash price ratios are given by months from January 1941 to date. These are computed on the basis of weighted average prices received and paid for eggs and mash, respectively. Since June the egg-laying mash price ratio for the United States and the egg-feed ratio, as published currently in Department releases, have shown somewhat diverse tendencies. During that period the United States average egg-feed ratio has been a little less favorable than a year earlier while the egg-laying mash price ratio has been more favorable consistently since November 1942. This divergence is partly due to a lag in the price of mash behind the price of ingredients which are purchased by feed mixers sometimes several months before the product is finally sold to farmers. For many months there have been ceilings on the margins of feed mixers and dealers. In mid-October the price paid for laying mash in the United States was 18 percent higher than in October last year while the price of the mixture of farm grains was 33 percent higher. The United States average price received by farmers for eggs was up 21 percent over a year previous. The mixture of feeds used in computing the egg-feed ratio consisted of corn 62 percent, wheat 14 percent, oats 8 percent, barley 2 percent, bran 9 percent, and tankage 5 percent, by weight.

The data on egg-laying mash price ratios do not permit comparisons prior to 1941, since data have not been published for earlier years. This series may be used to supplement the series used heretofore. United States averages for both series will be published currently in the statistical summary of The Poultry and Egg Situation.

In mid-October the egg-laying mash price ratio was more favorable than a year earlier in all regions except in the New England and Middle Atlantic States. The United States average was 2 percent higher than in October 1942.

Table 1.- Egg-laying mash: Price ratios, by months, United States and regions, 1941-43

Year	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Average 1/
						United States							
1941	8.9	7.6	7.4	8.8	8.8	10.1	10.7	10.9	11.8	12.1	13.5	12.7	10.3
1942	11.3	9.6	9.0	8.9	9.1	9.5	10.2	11.0	11.9	12.8	13.3	13.5	10.8
1943	12.8	11.1	10.9	10.7	10.7	10.9	11.1	11.5	12.2	13.1			
						New England							
1941	11.6	10.7	10.5	10.9	11.5	13.2	15.2	16.0	15.4	15.5	16.3	14.4	13.4
1942	13.0	11.7	11.3	10.8	11.0	11.6	14.0	15.0	15.5	16.6	16.8	16.8	13.7
1943	15.5	13.6	13.1	12.6	12.9	13.3	14.0	14.5	14.8	15.9			
						Middle Atlantic							
1941	10.8	9.4	8.9	10.0	10.0	11.2	12.8	13.4	13.8	14.7	15.5	14.5	12.1
1942	12.5	11.3	9.9	9.8	9.9	10.4	11.9	13.0	14.7	15.9	16.2	16.2	12.6
1943	14.8	12.1	11.7	11.6	11.7	12.0	12.9	13.7	14.2	15.0			
						East North Central							
1941	7.8	6.9	7.0	8.7	8.3	9.5	10.0	10.0	10.8	11.5	13.4	12.2	9.7
1942	10.8	9.2	8.7	8.7	8.9	9.1	9.8	10.1	11.0	12.2	12.7	12.7	10.3
1943	11.9	10.8	10.7	10.5	10.5	10.7	10.7	11.2	11.7	12.7			
						West North Central							
1941	7.3	6.5	6.7	8.7	8.5	10.0	9.8	9.7	10.6	10.6	12.2	11.5	9.3
1942	10.8	9.0	8.8	8.8	9.1	9.5	9.8	10.4	10.8	11.4	11.7	11.7	10.2
1943	11.7	10.8	10.8	10.6	10.6	10.8	10.7	10.9	11.4	11.9			
						South Atlantic							
1941	9.7	8.4	7.2	7.6	7.9	9.1	10.0	10.7	11.5	12.2	13.4	13.3	10.1
1942	11.2	9.5	7.9	7.5	8.0	8.6	9.2	10.3	12.1	12.9	13.7	14.3	10.4
1943	13.2	10.1	9.8	9.6	9.8	10.0	10.4	11.1	12.1	13.0			
						East South Central							
1941	7.9	6.7	5.9	6.9	6.9	7.8	8.3	8.2	10.1	10.3	11.9	12.5	8.6
1942	9.9	8.0	7.3	7.1	7.3	7.6	8.1	8.4	10.0	10.6	11.3	12.0	9.0
1943	11.3	9.4	9.1	8.7	8.9	8.9	9.0	9.2	10.1	11.4			
						West South Central							
1941	8.4	6.4	6.4	8.3	8.1	9.8	9.6	10.0	11.3	10.9	12.6	12.7	9.5
1942	11.4	9.0	8.6	8.5	8.9	9.3	9.4	9.5	10.4	11.3	11.9	12.5	10.1
1943	11.7	10.8	10.3	10.1	9.9	9.8	9.6	9.6	10.5	11.7			
						Mountain							
1941	9.5	7.4	6.8	8.0	8.3	9.3	9.9	10.3	11.6	12.6	13.5	12.2	10.0
1942	11.0	9.4	8.6	8.6	8.5	8.7	9.2	10.0	11.3	12.7	13.8	13.9	10.5
1943	12.8	11.0	10.3	10.2	10.1	10.2	10.4	11.1	11.9	13.1			
						Pacific							
1941	11.5	8.9	8.6	9.6	10.5	11.0	11.8	12.8	13.7	13.6	14.3	13.0	11.6
1942	12.2	9.9	9.7	9.7	9.9	10.5	11.2	12.7	13.9	14.5	15.2	15.3	12.1
1943	15.0	12.6	11.9	11.7	11.7	12.0	12.2	13.1	14.0	14.9			

1/ Simple average of 12 months.

Table 2.- Maximum price and supply controls for specified poultry and egg products issued from October 21, 1943, through November 21, 1943

Title of order, issue date, effective date, reference in Federal Register and agency	Commodity	Principal provisions of orders
FDO 71 Terminated as of October 25, 1943 Termination order issued October 23, 1943 8FR-14508, October 27, 1943 W.F.A.	Turkeys	Lifted the embargo on sales of turkey to civilians. But for sustaining proper legal proceedings with respect to violations, rights, or liabilities which occurred during the effective period of the order, the appropriate provisions shall remain in force.
Amendment 17 to MPR 333 Issued October 29, 1943 Effective November 1, 1943 8FR-14855, November 2, 1943 O.P.A.	Shell eggs	Established maximum prices of wholesale eggs by weeks at basing point cities November 1 through week beginning December 27, 1943. Changed the grade classifications as a basis for the extended price schedules.
Amendment 19 to RMPR 269 Issued October 30, 1943 Effective October 30, 1943 8FR-14854, November 2, 1943 O.P.A.	Turkeys	Increased wholesale prices of dressed turkeys from 1/2 cent to 3 cents per pound, depending on weight of bird.
Amendment 8 to MPR 423 (Applies to retail stores, groups 1 and 2) Issued October 30, 1943 Effective November 4, 1943 8FR-14854, November 2, 1943	Poultry	As amended this order, which was originally issued on July 8, provides independent retailers' mark-ups over net costs with respect to poultry as follows: Poultry (other than turkey) sold as purchased, 21%; poultry (including turkey) bought live and sold dressed, 38%; turkey bought live and sold live, 21%; turkey other than live sold as purchased, 17%. Prior to Amendment 8 this order provided that all turkey items sold as purchased were allowed a mark-up of 21%.

Continued -

Table 2.- Maximum prices and supply controls for specified poultry and egg products issued from October 21, 1943, through November 21, 1943 - Continued

Title of order, issue date, effective date, reference in Federal Register and agency	Commodity	Principal provisions of orders
Amendment 7 to MPR 422 (Applies to retail stores, groups 3 and 4) Issued October 30, 1943 Effective November 11, 1943 8FR-14853, November 2, 1943 O.P.A.	Poultry	As amended this order provides retailers in groups 3 and 4 mark-ups over net costs with respect to poultry as follows: Poultry (except turkeys) sold as purchased, 20%; poultry (including turkey) bought live and sold dressed, 36%; turkeys bought live and sold live, 20%; turkeys, other than live, sold as purchased, 17% for group 3 and 15% for group 4. Prior to Amendment 7 this order provided that all turkey items sold as purchased were allowed a mark-up of 20%.
Amendment 18 to RMPR 269 Issued November 3, 1943 Effective October 11, 1943 8FR-15258, November 5, 1943 O.P.A.	Poultry	Changed designation of "quick-frozen eviscerated poultry" to "frozen eviscerated poultry."
Amendment 20 to RMPR 269 Issued November 2, 1943 Effective October 11, 1943 8FR-15190, November 4, 1943 O.P.A.	Poultry	Provided that Amendment 16 shall become effective October 11, 1943 in all respects except the portion pertaining to prices for drawn poultry, which becomes effective January 1, 1944.
Amendment 18 to MPR 333 Issued November 9, 1943 Effective November 15, 1943 8FR-15459, November 11, 1943 O.P.A.	Dried eggs	Increased the prices of all dried egg products sold in lots of 3,000 pounds or less to users other than Government agencies.