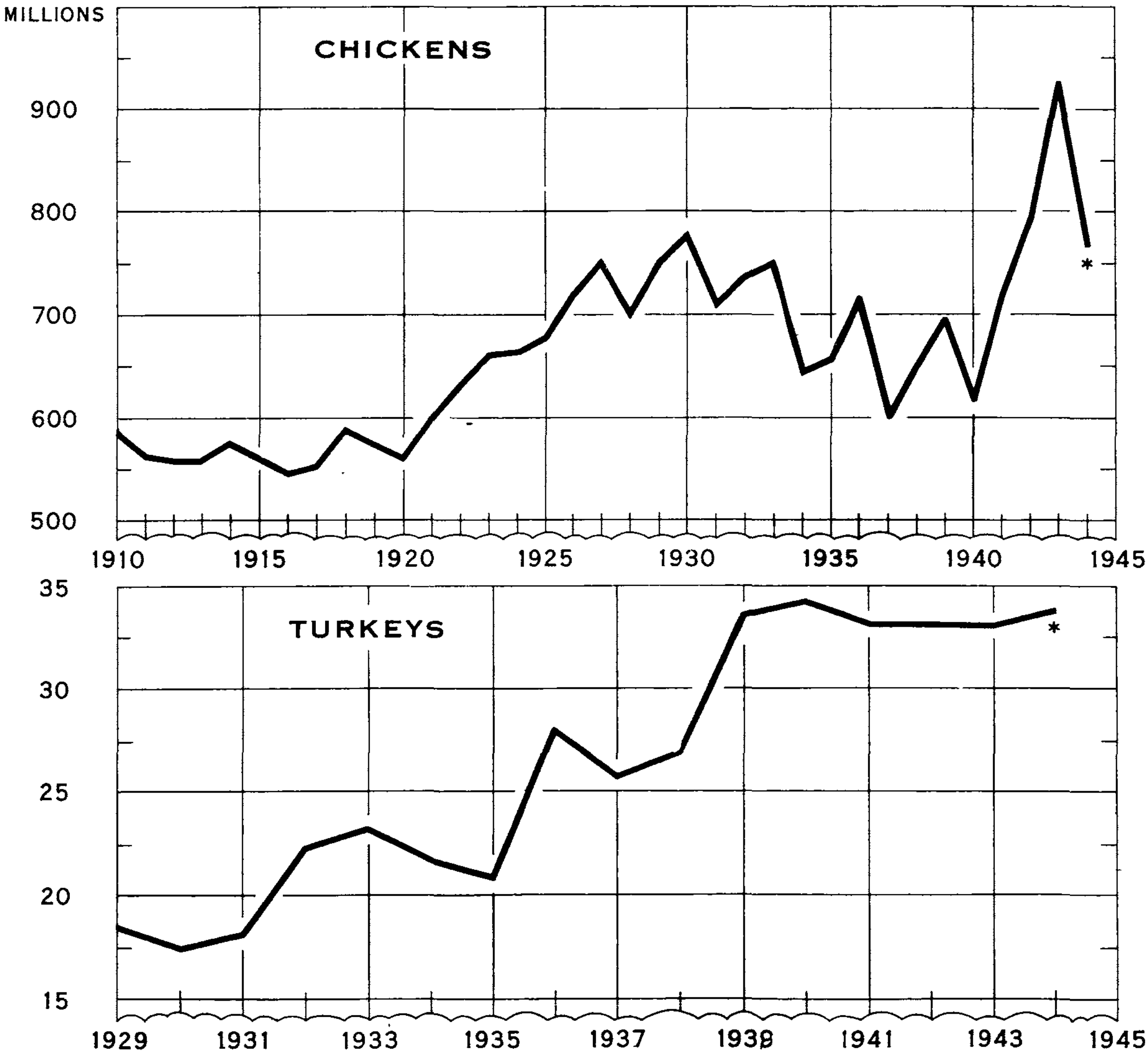
THE Poultry and Egg SITUATION
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE
PES-86 BAE FEBRUARY 1944

CHICKENS RAISED ON FARMS, UNITED STATES, 1910-44, AND TURKEYS RAISED ON FARMS, UNITED STATES, 1929-44



* *BASED ON INTENTIONS AS OF FEB. 1*

U. S. DEPARTMENT OF AGRICULTURE NEG. 43495 BUREAU OF AGRICULTURAL ECONOMICS

Reflecting the less favorable egg-feed price relationship of recent months, farmers indicated as of February 1 that they intend to purchase 17 percent fewer baby chicks this year than they purchased in 1943. The turkey-feed price relationship was less favorable than a year earlier during the 1943 season, but farmers have indicated that they intend to start 2 percent more poults in 1944 than they started last season. In 1943 the demand for poults at prevailing prices greatly exceeded the supply.

STATISTICAL SUMMARY

ITEM	UNIT	AVERAGE			1942	1943		1944	PCT. OF YEAR EARLIER
		PERIOD	DECEMBER	JANUARY	DECEMBER	JANUARY	DECEMBER	JANUARY	
Layer on farms, number	*Million*	1933-42	333.3	332.8	411.3	423.7	435.7	445.1	105
Net disappearance[1]	*Index no.*	1933-42	99.9	99.4	98.7	98.6	99.3	99.4	101
Number of eggs laid per hen	*Number*	1933-42	6.05	7.32	7.42	8.97	7.49	9.97	111
Total farm production of eggs	*Mil. doz.*	1933-42	169.6	203.6	254.2	316.7	271.9	369.7	117
Stocks, eggs, U. S.:[2]									
Shell	*1,000 case*	1933-42	598	193	273	214	675	761	355
Frozen	*1,000 case*	1933-42	1,921	1,556	2,212	1,594	2,727	2,178	137
Total	*1,000 case*	1933-42	2,519	1,749	2,485	1,808	3,402	2,939	163
Apparent egg disappearance, civilian:									
Storage shell eggs	*Mil. doz.*	1933-42	40.4	11.8	16.1	1.8	15.6	0	0
Frozen eggs	*Mil. doz.*	1933-42	13.4	10.9	19.7	14.4	15.1	0	0
Total shell egg equivalent	*Mil. doz.*	1933-42	231.4	238.1	274.3	303.8	290.4	316.2	104
Dried egg production	*Mil. lb.*	--	--	--	13.1	12.0	21.5	21.6	180
Commercial hatchery operations:									
Eggs set	*Million*	--	--	--	47.1	129.1	34.5	115.3	90
Chicks hatched	*Million*	--	--	--	29.3	55.8	21.6	44.9	80
Receipts:									
Poultry, dressed, four markets	*Mil. lb.*	1933-42	66.9	24.3	64.5	25.6	59.4	27.5	107
Poultry, live, Chicago	*Mil. lb.*	1933-42	5.9	3.9	5.1	2.0	4.7	3.4	170
Poultry, live, New York	*Mil. lb.*	1933-42	12.1	9.4	12.4	8.9	14.0	10.0	112
Poultry, live, Midwest, per plant	*1,000 lb.*	1933-42	21.67	9.90	21.68	7.97	25.26	15.53	195
Fowl (hens), live, Midwest, per plant	*1,000 lb.*	1933-42	11.03	7.22	12.07	5.72	14.49	11.61	203
Young stock, live, Midwest, per plant	*1,000 lb.*	1933-42	10.37	2.94	9.26	2.58	10.32	3.54	137
Stocks, poultry:[2]									
Broilers	*Mil. lb.*	1933-42	14.4	12.8	9.2	7.3	14.2	14.7	201
Fryers	*Mil. lb.*	1933-42	14.7	13.0	15.8	10.2	20.7	20.6	202
Roasters	*Mil. lb.*	1933-42	35.1	32.2	43.5	29.6	42.0	41.7	141
Fowls (hens)	*Mil. lb.*	1933-42	26.7	23.1	46.3	30.6	68.7	69.6	227
Turkeys	*Mil. lb.*	1933-42	31.2	36.8	36.6	37.7	36.6	48.3	128
Ducks	*Mil. lb.*	1933-42	5.3	3.8	3.4	2.1	2.4	2.1	100
Miscellaneous and unclassified	*Mil. lb.*	1933-42	24.5	22.5	34.0	24.6	41.5	42.8	174
Total poultry	*Mil. lb.*	1933-42	151.9	144.3	187.9	142.0	226.2	239.8	169
Prices received by farmers:									
Eggs, per dozen	*Cent*	1933-42	28.3	22.0	39.7	39.0	44.9	34.6	89
Eggs, parity price per dozen	*Cent*	1933-42	37.1	28.5	41.2	32.1	44.3	34.5	107
Eggs, percentage of parity	*Percent*	1933-42	76	77	96	121	101	100	--
Chickens, per pound	*Cent*	1933-42	14.0	13.4	20.5	22.1	24.4	23.9	108
Chickens, parity price per pound	*Cent*	1933-42	15.1	14.7	17.8	17.9	19.3	19.3	108
Chickens, percentage of parity	*Percent*	1933-42	92	91	115	123	126	124	--
Turkeys, per pound	*Cent*	1933-42	20.1	17.2	29.7	29.2	33.3	32.4	111
Turkeys, parity price per pound	*Cent*	1933-42	19.6	18.9	22.5	22.6	24.3	24.3	108
All farm commodities (1910-14 = 100)	*Index no.*	1933-42	114	104	177	181	196	196	108
Chickens and eggs (1910-14 = 100)	*Index no.*	1933-42	129	107	185	186	212	177	95
Wholesale prices, Chicago:									
Eggs, standards, per dozen[3]	*Cent*	1933-42	27.0	22.6	40.0	38.3	40.7	34.9	91
Live heavy hens, per pound	*Cent*	1933-42	17.9	18.6	23.5	26.0	23.6	24.0	92
Live broilers, per pound	*Cent*	1933-42	19.6	18.0	27.7	27.0	26.9	27.5	102
Live roasters, light, per pound	*Cent*	1933-42	19.2	18.6	28.0	31.5	26.9	27.5	87
Live roasters, heavy, per pound	*Cent*	1933-42	18.9	20.2	26.5	33.5	26.9	27.5	82
Wholesale prices, New York:									
Dressed broilers, 25-30 pounds per dozen, per pound	*Cent*	1933-42	23.9	22.8	33.5	33.5	37.5	37.5	112
Dressed roasters, 48-54 pounds per dozen, per pound	*Cent*	1933-42	22.8	23.1	34.0	38.0	37.5	37.5	99
Dressed fowls, 48-54 pounds per dozen, per pound	*Cent*	1933-42	20.9	21.0	30.8	32.5	33.5	33.5	103
Cash farm income:									
Total marketings	*Mil. dol.*	1933-42	942	716	1,499	1,261	1,697	--	113
Poultry and eggs	*Mil. dol.*	1933-42	107	63	171	135	225	--	132
Price ratios:									
Chicago, broiler-feed	*Lb. feed*	1933-42	14.1	14.1	14.9	13.9	12.1	12.1	87
Chicago, light roaster-feed	*Lb. feed*	1933-42	13.9	14.7	15.1	16.2	12.1	12.1	75
Farm, egg-feed	*Lb. feed*	1933-42	22.6	20.2	23.5	21.4	20.1	15.3	71
Farm, chicken-feed	*Lb. feed*	1933-42	11.2	12.1	12.1	12.1	10.9	10.6	88
Farm, turkey-feed	*Lb. feed*	1937-42	16.0	13.3	17.6	16.0	14.9	14.3	89
Farm, egg-laying mash	*Lb. feed*	--	--	--	13.5	12.8	12.7	9.7	76
Laying mash, cost per cwt.	*Dollar*	--	--	--	2.95	3.05	3.54	3.58	117
Feed cost per cwt., farm poultry ration	*Dollar*	1933-42	1.29	1.21	1.69	1.82	2.23	2.26	124
Wholesale food prices (1935-39 = 100)	*Index no.*	1933-42	101.4	95.8	131.9	133.0	133.5	132.6	100
Retail food prices (1935-39 = 100)	*Index no.*	1933-42	102.4	97.6	132.7	133.0	137.1	136.1	102
Prices paid by farmers including interest and taxes (1910-14 = 100)	*Index no.*	1933-42	132	128	156	157	169	169	108
Retail prices (BLS):									
Roasters, dressed, per pound	*Cent*	1933-42	30.7	29.7	43.1	44.4	44.7	44.9	101
Eggs, strictly fresh, per dozen	*Cent*	1933-42	42.2	36.4	59.3	59.0	62.9	54.3	92
Nonagricultural employees' compensation (1935-39 = 100)	*Index no.*	1933-42	120.0	102.1	217.9	218.4	256.0	--	117

[1]See December 1943 Poultry and Egg Situation for definition of, and method of computing, "net disappearance."

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

[3]Fresh firsts December and January 1933-42 average, December, 1942 and January 1943; standards, 44 pounds, December 1943, January 1944.

THE POULTRY AND EGG SITUATION

Summary

Less favorable poultry product-feed price relationships now prevailing, compared with a year ago, have resulted in a demand for both baby chicks and turkey poults somewhat below the unprecedented demand of last year. As of February 1 farmers indicated that they intend to purchase 17 percent fewer baby chicks for flock-replacement purposes in 1944 than they purchased in 1943. This information on farmers' intentions was compiled just after one of the sharpest declines in egg prices on record. Final plans for numbers of chicks to be started will be made by farmers in the main hatching months March through May. At that time, price relationships may appear more favorable to farmers than they did in late January. On the basis of average relationships in past years, a reduction of 5 to 10 percent in the number of chickens raised would be expected because of prospective less favorable price relationships.

Primarily because of the weaker demand for chicks from commercial broiler producers, the output of chicks by hatcheries in January was 20 percent below a year earlier. In the 4 months ended January 31 the output of chicks by commercial hatcheries -- mostly for 1944 broiler production -- was 14 percent below the hatch of a year earlier.

The demand for turkey poults, though not as strong as at the beginning of the 1943 season, is such that if farmers' February 1 intentions are carried out, 2 percent more turkey poults will be raised in 1944 than in 1943. With 8 percent more turkey breeder hens on farms the potential supply of poults should be ample to achieve a 2 percent increase in turkeys raised.

Weather so far this winter has been conducive to unusually high rates of egg production per layer. In the North Central States, rates of production prevailed on February 1 which are not usually reached until March 1. The average number of eggs laid per bird during January was 11 percent higher than a year earlier. With the record number of layers on farms, 17 percent more eggs were produced than during January 1943. Although more eggs were used for noncivilian purposes in January than in January last year, civilian consumption apparently was considerably larger than in January 1943. Some retail egg prices in mid-February were a little higher than a year earlier despite increased movement of eggs into civilian channels, indicating a record strong demand for eggs for this season of the year.

Supplies of eggs at prevailing prices have accumulated at some markets during the last several weeks largely because production has been "timed" with the weather while most seasonal uses -- storing, drying, and hatching -- are "timed" with the calendar. From late December 1943 to February 19, 1944 the War Food Administration purchased 233,534 cases of shell eggs for price-support purposes. Egg production will increase less than seasonally from the relatively high level of January and early February to the annual seasonal peak in April, while civilian demand may strengthen further as a result of seasonally reduced meat supplies.

-- February 21, 1944

RECENT DEVELOPMENTS

Number of Chickens at All-Time Record on January 1

Marketings of both young and mature chickens were unusually heavy during the closing months of 1943. But because a record large number of chickens was raised last year the total number still on farms January 1 was the highest ever recorded -- totaling 572 million head compared with 541 million a year earlier. The number of potential layers on farms at the beginning of 1944 totaled 515 million head, an increase of 6.0 percent over the number a year earlier. By regions, the numbers of potential layers were: North Atlantic, 61,137,000; East North Central, 99,730,000; West North Central, 152,990,000; South Atlantic, 48,521,000; South Central, 109,515,000; and Western, 43,138,000 head.

Although actual sales of fowls were the heaviest on record through mid-February, in proportion to the prevailing high number on farms, the culling rate appears to have been below the 10-year average rate so far this year, but considerably above that of a year earlier. During the month of January the number of layers on farms in the United States was 5.0 percent larger than in January 1943. By regions, the increases over a year earlier in the January number of layers were as follows: North Atlantic, 4.3 percent; East North Central, 4.6 percent; West North Central, 5.8 percent; South Atlantic, 5.7 percent; South Central, 5.9 percent; and Western, 1.5 percent.

In all parts of the Nation except in the Gulf States January average weather was characterized by above-normal temperatures and below-average precipitation. In the second half of January, weekly temperatures in the North Central States averaged as much as 19° F. above normal. These conditions were conducive to rapid increases in the average rate of lay per bird. In the North Central States layers attained a rate of lay on February 1 not usually reached until March 1.

During January, layers on farms in the United States produced an average of 10 eggs per bird, 11 percent more than in the corresponding month last year. By regions the number of eggs laid per bird in January as percentages of a year earlier were as follows: North Atlantic, 106 percent; East North Central, 113 percent; West North Central, 125 percent; South Atlantic, 98 percent; South Central, 99 percent; and West 108 percent.

Egg production on farms in the United States during January totaled 12.3 million cases (369.7 million dozens), or 17 percent more than the previous record output for that month established in 1943. In the first half of February, receipts of eggs at primary markets were continuing larger than a year earlier by more than 20 percent, indicating a continued record large output of eggs on farms. By the end of January receipts of eggs at primary and terminal markets were at levels not reached last year until March 1 or later.

The increase in egg supplies relative to demand at prevailing prices during January was most noticeable in eastern terminal markets. These are normally large consuming markets toward which supplies from the Midwest usually move. In January this year much-greater-than-usual quantities of eggs came from nearby producing areas where January production was 11 percent larger than a year earlier. Receipts of eggs at specified markets during January, by region of origin, are shown in table 1.

In the 7 weeks ended February 19 the War Food Administration purchased 233,534 cases of shell eggs for price-support purposes. Of this quantity 199,336 cases were purchased in the northeast area. The remaining purchases were 1,471 cases in the South under the small-lot purchase program and 32,727 cases in the Midwest. Purchases in the northeast by grade were as follows: 139,705 cases Grade A large, 40,748 cases Grade A medium, 6,819 cases Grade B large, 4,264 cases Grade B medium, and 7,800 cases of procurement grades.

Table 1.- Receipts of shell eggs during January at specified markets by region of origin, 1941-44 1/

Geographic division	New York 1941	New York 1942	New York 1943	New York 1944	Boston 1941	Boston 1942	Boston 1943	Boston 1944
	Cases	Cases	Cases	Cases	Cases	Cases	Cases	Cases
North Atlantic ...	190,342	197,675	247,313	288,603	68,343	83,693	76,827	97,442
East North Central	83,483	51,796	93,995	69,262	9,135	4,936	5,848	2,388
West North Central	195,778	130,458	194,746	245,229	26,578	10,034	16,595	13,780
South Atlantic ...	8,118	6,626	6,388	8,529	0	0	0	0
South Central	446	2,301	1,996	0	440	120	0	1,784
Western	30,728	34,609	600	0	0	0	0	0
Miscellaneous	151	93	142	151	25	5	25	76
Total U. S. ...	509,046	423,558	545,180	611,774	104,521	98,788	99,295	115,470

Geographic division	Philadelphia 1941	Philadelphia 1942	Philadelphia 1943	Philadelphia 1944	San Francisco and Los Angeles 1941	San Francisco and Los Angeles 1942	San Francisco and Los Angeles 1943	San Francisco and Los Angeles 1944
	Cases	Cases	Cases	Cases	Cases	Cases	Cases	Cases
North Atlantic ...	41,360	37,594	30,088	46,367	0	0	0	0
East North Central	29,862	15,002	21,102	16,781	936	0	17,045	0
West North Central	29,590	29,092	36,011	27,260	21,446	0	87,358	39,180
South Atlantic ...	7,075	6,826	8,360	10,733	0	0	0	0
South Central	422	231	0	0	2,670	36	19,135	1,110
Western	680	1,754	0	0	177,349	193,172	152,733	203,877
Miscellaneous	69	15	7	3				
Total	109,058	90,514	95,568	101,144	202,401	193,208	276,271	244,167

1/ Data from Office of Distribution, War Food Administration.

Egg Prices Declined Further in Past Month

Accompanying the further large increases in receipts of eggs in late January and early February, egg prices declined somewhat further. The declines, however, were not shared equally by all grades of eggs. Wholesale prices of better grades at New York, which declined the least from mid-December to early January, declined 3 to 7 cents per dozen from mid-January to mid-February, a greater decline than for other grades. Wholesale prices of most lower grades at New York were fairly steady in the month ended February 15 and prices for some grades increased slightly. Wholesale prices of eggs at Chicago in mid-February were 1 to 2 cents per dozen lower than in mid-January but the average of all grades was about equal to the average in mid-February 1943. Wholesale prices of large eggs st San Francisco were steady in the month ended February 15, but prices of smaller eggs declined somewhat further. Prices of all eggs at that market declined sharply in the first half of January.

Retail prices of eggs at New York City declined about 3 cents per dozen from mid-January to mid-February and on February 15 prices at retail were from 5 to 15 percent below prevailing ceilings, but slightly higher than the retail prices of a year earlier. By mid-January most Office of Price Administration regional offices had suspended community ceilings for eggs and ordered that each retail selling price be computed on the basis of specified mark-up over costs, as provided originally in MPR 422 and MPR 423.

Egg-Feed Price Ratio in January Below Average

The average price received by farmers for eggs in mid-January was 34.6 cents per dozen compared with 44.9 cents in December 1943 and 39.0 cents in January 1943. The egg-feed price ratio in January 1944 was 29 percent lower than in January last year and considerably below the 1933-42 January average, but slightly above the average for the spring months.

War Food Administration Announced Further Price Supports

On January 25, 1944, the WFA announced further details of plans for carrying out the shell-egg price-support program which was extended on January 26, 1944, through December 31, 1944. It is planned to specify periodically for all areas of the United States carlot support prices for designated United States grades and sizes of eggs which will reflect the announced average support prices to producers. The carlot prices are to be supported primarily through the purchase of dried eggs, and to the extent necessary, by the purchase of shell eggs at announced prices. With the announcement of January 25 there were released specific prices for designated grades and sizes for 64 markets, applicable through March 4, 1944.

Subject to Congressional authorization, the War Food Administration announced on January 26, 1944, that it will support prices to producers for eggs at 90 percent of the parity price, but in no event less than a United States average price received by farmers of 30 cents per dozen in the spring and early summer, and an annual average United States farm price of 34 cents per dozen. Likewise for turkeys and chickens (excluding broilers and chickens weighing less than 3 pounds live weight) it was announced that prices to producers would be supported at 90 percent of the parity prices but in no event less than specified prices which will be announced at a later date together with methods to be employed in supporting such prices.

Into Storage Movement of Shell Eggs in January for First Time on Record

Net withdrawals of shell eggs from storage began in July 1943 and continued through the second week of January 1944. A moderate net into-storage movement began in the third week in January, the same week of the year as the 1943 into-storage movement began. During January this year storage stocks of shell eggs in the United States increased a net amount of 86,000 cases. This was the first time on record that for January as a whole, a net into-storage movement of shell eggs has occurred. The change in holdings of shell eggs during January apparently was due almost entirely to changes in privately owned stocks; the quantity reported held by the WFA decreased 2,000 cases during the month. Total holdings of shell eggs in the United States on February 1, though at a seasonally low level, were more than 547,000 cases larger than a year earlier -- about 3-1/2 times as great.

Storage stocks of frozen eggs began to show net increases in the first week of February, or about 3 weeks earlier than in 1943. Up to mid-February, however, the net into-storage movement at 35 markets averaged the shell egg equivalent of less than 10,000 cases weekly. During the month of January storage stocks of frozen eggs were reduced the equivalent of 549,00 cases. On February 1, holdings of frozen eggs in the United States totaled 2.2 million cases, shell egg equivalent, compared with 1.6 million cases a year earlier. The February 1 holdings were the largest on record for that date except for the 1938 stocks of 2.5 million cases.

The shell egg equivalent of shell and frozen eggs was reduced 463,000 cases during January. For producing dried egg during January, drying plants used the equivalent of 602,000 cases of frozen egg, 254,000 cases of storage shell eggs, in addition to 1,274,000 cases of fresh shell eggs. On February 1 storage stocks of eggs totaled 2.9 million cases compared with 1.8 million cases on February 1 last year.

Dried Egg Output Unchanged in January

The War Food Administration announced on December 30, 1943, the resumption of dried egg purchases for the 1944 season. The maximum purchase prices that have been announced so far this year -- through March -- have been the same as those of a year earlier. To date this year, however, the maximum prices to be paid have been announced from time to time rather than for the entire season. Purchases have been made on the offer and acceptance basis at prices not exceeding the announced maximum levels. Through the third week of February the War Food Administration had purchased a total of 32 million pounds of dried egg on the 1944 program -- 26.5 million pounds for delivery in February and 5.1 million pounds for March.

Production of dried egg in the United States during January totaled 21.6 million pounds compared with 21.5 million pounds in December 1943 and 12.0 million pounds in January 1943.

Poultry Marketings Larger than a Year Earlier but Declining Seasonally

Marketings of poultry, as indicated by receipts of poultry at midwest primary markets, increased contra-seasonally during the first half of January, and then declined seasonally through the first half of February.

Reported receipts at the midwest plants, however, were continuing much greater than previous records for corresponding periods. In the second half of January receipts of fowl at midwest markets were about 145 percent larger than a year earlier; in the first half of February the percentage increase over a year previous was about 40 percent.

Receipts of freshly dressed and frozen poultry at principal markets in the first 6 weeks of this year were 9 percent larger than a year earlier. These data, of course, are not necessarily indicative of the rate of total civilian consumption compared with a year earlier, since they include shipments for the armed forces and intermarket movements of frozen poultry. Nevertheless for the Nation as a whole, it appears that the increase in marketings of poultry in January 1944 compared with a year earlier about offset the effects of the restriction order covering storage poultry on civilian supplies.

Prices of Poultry Continue Firm

Wholesale prices of most live and dressed poultry rose to ceiling levels in late December, following a period of seasonally heavy marketings during which prices for several classifications were a little below ceilings. Since late December quotations for most items have been at ceiling levels. In the last several weeks demand for freshly dressed birds at ceiling levels has greatly exceeded available supplies.

The average price received by farmers for chickens in mid-January was 23.9 cents per pound compared with 24.4 in mid-December 1943 and 22.1 cents in January 1943.

Storage Stocks of Poultry Increased Contra-Seasonally During January

Primarily because of the storage program for the armed forces and FDO 91 restricting the sale to civilians of storage poultry, there was a net increase of 14 million pounds in storage stocks of poultry during January. The increase in holdings, of course, was made possible by continued heavy farm sales of poultry. In every year from 1931 through 1943 stocks of poultry declined during January. From 1917 through 1930, however, stocks had increased during January in all but 3 years.

Stocks of turkeys increased more than usual during January -- about 12 million pounds. Thus turkeys accounted for most of the increase in total poultry stocks. Stocks of broilers, fowls, and miscellaneous poultry increased slightly, but stocks of fryers and ducks were reduced. Stocks of poultry in the United States on February 1 totaled 240 million pounds, an all time record and 69 percent larger than a year earlier. The stocks on February 1 this year, as indicated above, include some quantities purchase as part of the poultry storage program for the armed forces.

OUTLOOK

BACKGROUND.- The strong wartime demand for eggs has resulted in steady increases in prices received by farmers for eggs since early 1941 after allowing for normal seasonal variation. The mid-month prices received by producers was higher than a year earlier from mid-March 1941 through mid-December 1943. The average price received by farmers for eggs in 1943 was approximately 37.6 cents compared with 29.9 cents in 1942. The 1943 price was the highest on record except for the 1919 and 1920 prices of 41.3 cents and 43.5 cents, respectively.

Movement of Feed Grains Improved Somewhat Further

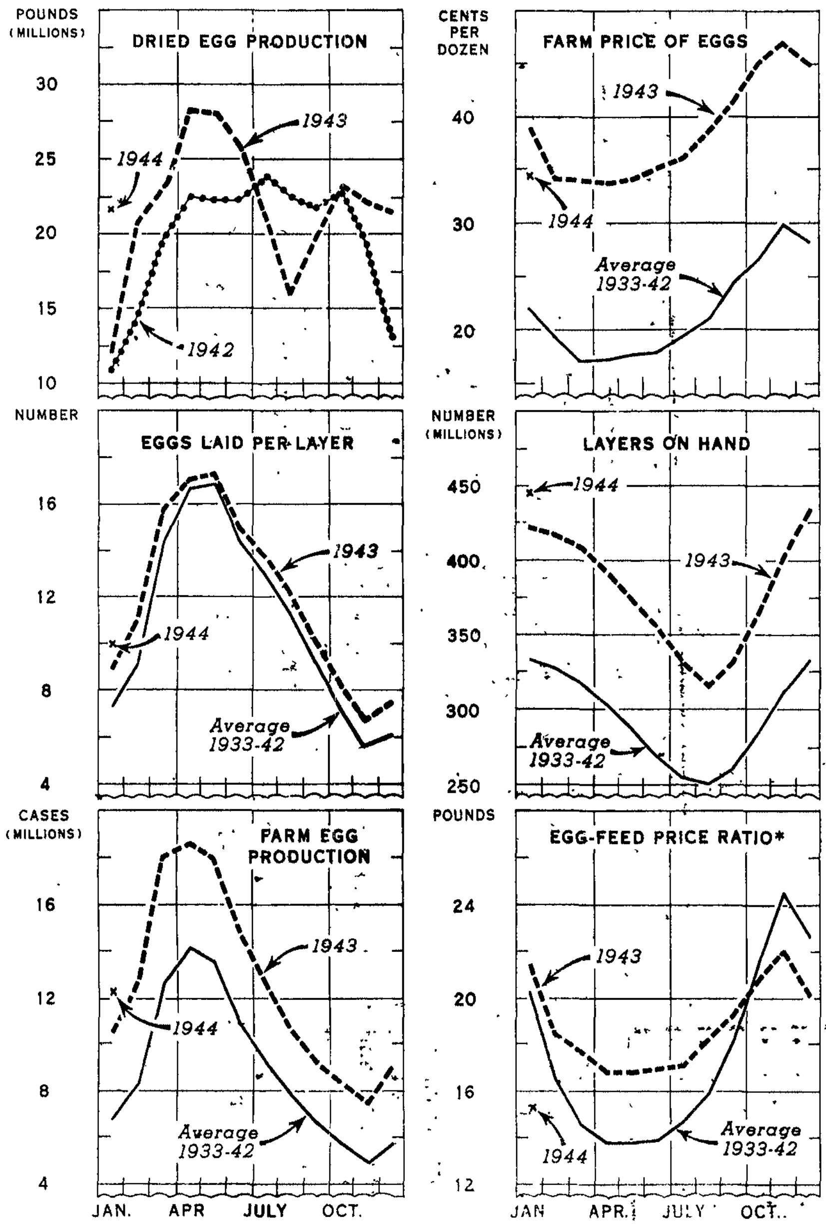
Supplies of feed grains for shipment to deficit areas and to industrial users became more freely available after the turn of the year than they were in the fall months of 1943. The national position on feed supplies, however, is essentially unchanged from what it was a few months ago. The supply of feed grains per grain-consuming animal unit on January 1 was about a fifth smaller this year than last, mainly as a result of the record number of livestock on hand. Livestock numbers may be reduced to some extent during 1944 but the demand for livestock feeds probably will continue to exceed that of 1943, at least until summer. Beginning in early summer, feeds from 1944 harvests will begin to become available. Heavy snows in early February improved the moisture situation, and crop prospects in northern sections of the mid-west where precipitation had been below normal for several months.

Prices of feed grains probably will continue at or close to ceiling levels during the rest of the 1943 marketing year.

Farmers Intend to Purchase Fewer Chicks in 1944

The sharp drop in prices received by farmers for eggs, together with considerably higher feed prices compared with a year earlier, has resulted in a considerable drop in the prospective springtime demand for chicks relative to the demand that prevailed in the main hatching months of 1943. The egg-feed price ratio in mid-February, based on changes from mid-January in wholesale market quotations for eggs and feed, apparently was around 20 percent below a year earlier, compared with 29 percent lower in January, and 14 percent lower in December 1943. The ratio has been below average since last October. If feed prices continue at present levels through the spring period and prices received by farmers for eggs are about equal to those of a year earlier, as now appears likely, the egg-feed price ratio in the main hatching months would be around 15 percent below the exceptionally favorable ratio in the corresponding months of 1943 but slightly above average for the spring period. Based on usual relations, a change in the egg-feed price ratio of the extent indicated above would result in a drop of 5 to 10 percent in the number of chickens raised, or a total number raised of 830 to 880 million head compared with 926 million raised in 1943. The national goal for 1944 calls for the raising on farms of 893 million birds (excluding commercial broilers).

THE EGG SITUATION



* BASED ON FARM PRICES

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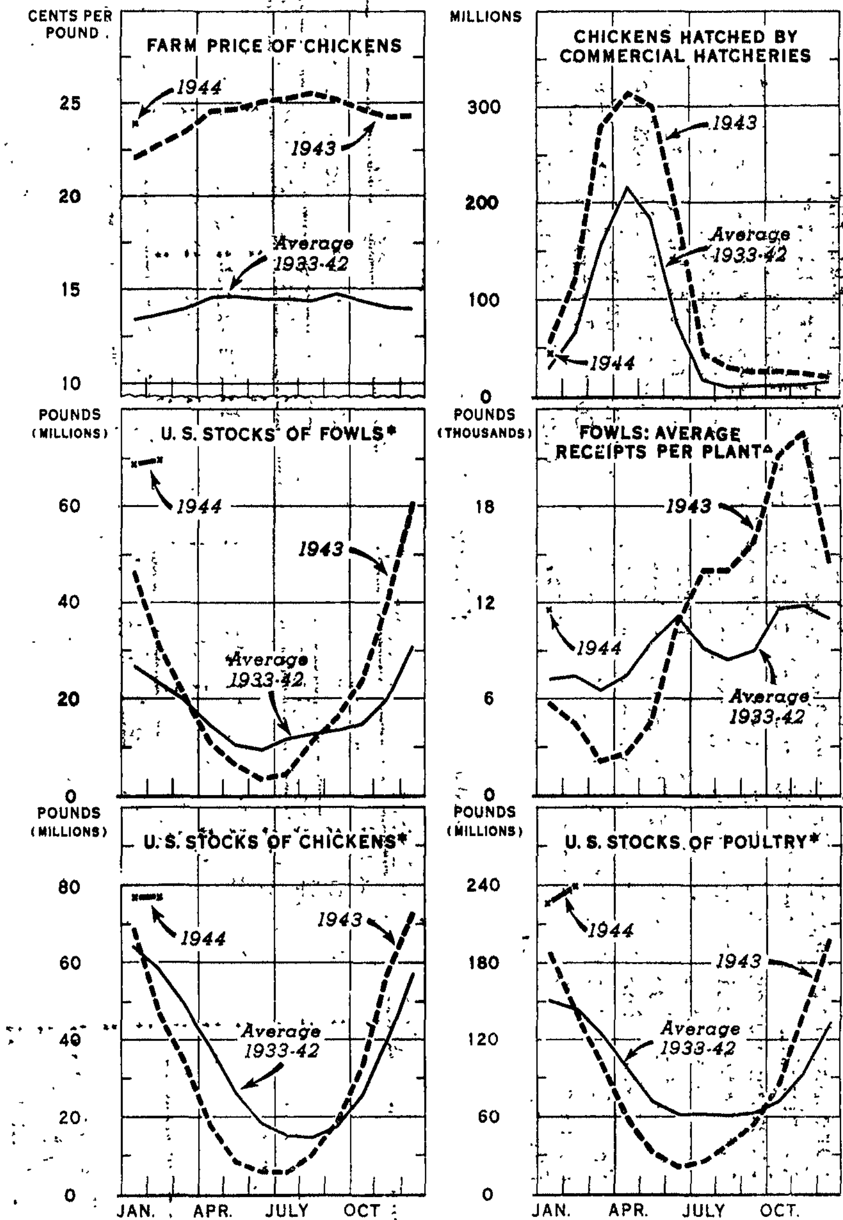
FIGURE

THE POULTRY SITUATION



* 1st OF THE MONTH △ RECEIPTS AT CENTRAL WESTERN PRIMARY MARKETS

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FIGURE

Crop correspondents indicated as of February 1 that they intend to purchase for laying flock replacement purposes, 17 percent fewer baby chicks (including custom-hatched chicks) this year than they bought in 1943. Farmers purchased from commercial hatcheries in 1943 about 84 percent of the total chicks started. A reduction in numbers of chickens raised in line with a 17 percent decline in purchases would result in a total number below the 1942 level of 795 million but well above the 717 million raised in 1941. The intended decreases in chick purchases, by regions, ranged from 12 percent in the South Atlantic and East South Central regions to 29 percent in the Pacific Coast States. Regional data are shown in the following table.

Intended purchases of baby chicks in 1944

(Based upon February 1 reports from crop correspondents)

Geographic areas	Intended purchases in 1944 as percentages of 1943 purchases	Sexing classifications as percentages of total: Baby chicks bought in 1943: Straight run	Pullet chicks	Cockerel chicks	Intended purchases in 1944: Straight run	Pullet chicks	Cockerel chicks
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
New England	80	58	32	10	52	39	9
Middle Atlantic	74	73	18	9	70	23	7
E. N. Central	84	76	20	4	74	22	4
W. N. Central	87	80	15	5	79	17	4
South Atlantic	88	83	13	4	83	13	4
E. S. Central	88	80	15	5	82	14	4
W. S. Central	80	80	15	5	78	18	4
Rocky Mountain	79	76	17	7	73	22	5
Pacific Coast	71	70	26	4	60	37	3
United States	83.4	77.4	17.2	5.4	75.7	20.1	4.2

The information given above on farmers intentions was compiled immediately after one of the sharpest declines in egg prices on record. Farmers will make final plans for purchasing baby chicks in 1944 during the main hatching season on the basis of price relationships and other conditions then prevailing, or in prospect as farmers view them. A firm egg market in the spring period at prices equal to those of a year earlier would suggest to farmers that the underlying demand for eggs continues strong, and thus would tend to result in a smaller reduction in numbers raised than is indicated by February 1 intentions. This tendency would be strengthened should the feed-distribution situation continue to improve as it has in past weeks. Farmers' purchases of baby chicks exceeded their February 1 intentions by 4 percent in 1943 and 1942, and by 17 percent in 1941.

January Hatchery Production 20 Percent Under a Year Earlier

The demand for hatchery chicks as indicated by prevailing chick purchases and prices, continued weaker than a year earlier through January. The output of baby chicks by commercial hatcheries in January was 20 percent smaller than in January 1943. Hatchery production in the 4 months ended January 31, 1944, was 14 percent smaller than a year earlier. This largely represents a decline in numbers of chicks purchased for commercial broilers, since relatively few chicks for laying purposes are started at that time of year. Most commercial broiler chicks started since October 1, 1943, will be included in the 1944 commercial broiler production, the national goal for which is 201 million head or 81 percent of the tentative indication of the 1943 output.

The number of eggs set during January was 10 percent smaller than a year earlier. The number of chicks on order February 1 for later delivery was 26 percent larger than the number on order on the corresponding date last year. The increase in the number of chicks on order largely reflects earlier placing of orders than last year. The prospective demand for chicks for the season as a whole is considerably below that of a year earlier, but probably will be relatively strong in the main hatching months — March through May.

Farmers Intend to Increase Turkey Production in 1944

The turkey-feed price relationship like the egg- and chicken-feed price relationship, has been less favorable than a year earlier in the last several months. In 1943 turkeymen intended to raise an all-time record crop -- 12 percent over the 1942 number. Because of a shortage of hatching eggs, however, actual performance in 1943 fell far short of the early intentions. While the demand for poults in prospect as of February 1 this year is not as strong as that indicated a year earlier, farmers reported their intentions, nevertheless, to raise 2 percent more birds than they actually raised in 1943 -- a total of 33,767,000 birds — which would be only 1 percent under the record crop of 1940. With an 8 percent increase in breeder hens on January 1, 1944, compared with a year earlier, the supply of hatching eggs should be ample to achieve a 2 percent increase in turkey production. In fact, should conditions continue more favorable than last with respect to egg fertility and brooding, a new record high number of turkeys may be raised in 1944.

Over-all demand in prospect is sufficient to absorb the maximum number of turkeys that could be produced with present breeding stock. Primarily because of the tight feed situation, the goal for turkeys raised in 1944 was set at 97 percent of the 1943 number.

Numbers of turkeys farmers intend to raise in 1944 as percentages of the number raised in 1943, by regions, are as follows: North Atlantic, 108 percent; East North Central, 115 percent; West North Central, 102 percent; South Atlantic, 103 percent; South Central and West, 99 percent.

Many of the mid-western States show considerably more breeder turkeys on hand this year than last, but the Western States account for about 55 percent of the total national increase in actual numbers.

Civilian Demand for Eggs Continues Very Strong

The civilian disappearance of shell eggs in recent weeks apparently has been running fully 10 percent larger than the record of a year earlier. Many retail prices recently have been nearly equal to those of a year earlier, indicating a very strong current demand by civilians for eggs. Supplies of eggs have accumulated in many markets in the last several weeks because egg production has responded to unusually favorable weather, while many of the seasonal operations pertaining to eggs such as egg storing for civilians and armed services, hatching, and egg drying are "timed" with the calendar.

Purchases of eggs for other than immediate civilian uses have begun to increase and will increase sharply further in coming weeks. Egg production will increase less than seasonally from the January and early February level to the spring peak in April. Any increase in the civilian supply of eggs from the January-February level after meeting the necessary non-civilian requirements probably will be considerably less than the usual seasonal amount. Civilian demand for eggs, however, may increase as a result of seasonal reductions in supplies of meat and some other competing items.

Present estimates of requirements of dried whole eggs for war uses in 1944 total about 297 million pounds. This includes anticipated needs for lend-lease of 217 million pounds, 2.2 million pounds for Red Cross and other friendly nations, and 78 million pounds for United States military and war services. The above over-all requirement figure is not necessarily synonymous with required total production of dried egg, since stocks from the 1943 WFA purchase program may be drawn on to some extent. On the other hand, the requirement figure of 297 million pounds does not include quantities to be used for civilian purposes.

Egg production prospects for the year as a whole have not changed materially during the past month. The larger proportion of pullets and better average quality of laying stock will tend to offset the effects on the rate of lay of less favorable feed supply and feed price relationships. Hence, without allowing for the affects of weather on the rate of production, a rate of monthly output per bird about equal to a year earlier appears likely. The revised estimate of the number of layers on farms January 1, 1944, was 6 percent larger than on January 1, 1943, but relative to a year earlier the number apparently has declined since January 1.

The average inventory value of chickens on farms had reached a new all-time high on January 1, 1944. The average value per bird was $1.17 on January 1, 1944, compared with $1.04 on January 1, 1943, and $0.83 on January 1, 1942. The estimated total value of chickens on farms January 1, 1944, was 671 million dollars compared with 561 million dollars a year earlier.

On January 1, 1944, there were 572 million chickens on farms compared with 541 million a year earlier. The average value of turkeys increased from $4.46 per head January 1, 1943, to $5.29 on January 1, 1944. The aggregate value of turkeys was 40 million dollars compared with 30 million dollars a year earlier. The aggregate value of all livestock on farms was 9.5 billion dollars on both January 1, 1943, and January 1, 1944.

The greater number of eggs produced per layer is reflected in relatively higher values per head. As shown in figure 3, the value per bird on farms now exceeds levels reached in the previous war and post-war period even though the price of eggs is lower. In addition to egg producing capacity the value per bird is influenced by the price of chicken meat and egg-feed price relationships. In table 2 and figure 3 the value of a hens annual egg production --- number of eggs laid annually per bird on farms January 1 multiplied by weighted annual average price received by farmers for eggs --- is compared with price of eggs and value per bird of all chickens on farms.

Table 2.- Chickens, number on farms January 1 and value per head; number of chickens and turkeys raised, price received by farmers for eggs and value of eggs laid annually per hen, United States, 1910-44

Year	Chickens		Eggs		Number raised	
	Number on farms Jan. 1	Value per head	Weighted annual price received by farmers	Value of eggs laid annually per hen	Chickens	Turkeys
	Millions	Cents	Cents	Dollars	Millions	Millions
1910	356.0	47.3	20.9	1.48	586.0	
1911	381.5	45.6	17.5	1.25	563.0	
1912	367.3	42.2	20.2	1.45	557.0	
1913	364.7	46.5	19.4	1.39	558.0	
1914	366.5	49.1	20.5	1.45	575.0	
1915	379.2	46.5	19.4	1.42	560.0	
1916	369.5	49.1	22.1	1.60	545.0	
1917	359.5	59.4	31.8	2.28	552.0	
1918	363.4	77.5	36.0	2.58	587.0	
1919	391.4	95.5	41.3	2.99	574.0	
1920	381.1	97.2	43.5	3.15	560.0	
1921	370.1	89.3	28.3	2.19	600.0	
1922	395.0	80.8	25.0	1.94	632.0	
1923	415.1	74.6	26.5	2.07	660.0	
1924	434.9	76.1	26.7	1.98	662.2	
1925	435.0	79.3	30.4	2.28	678.7	
1926	438.0	88.5	28.9	2.29	718.3	
1927	461.0	90.6	25.1	1.95	750.4	
1928	475.0	85.8	28.1	2.13	700.0	
1929	449.0	91.1	29.8	2.33	751.1	18.5
1930	468.5	92.8	23.7	1.84	777.0	17.4
1931	449.7	70.3	17.6	1.41	709.4	18.2
1932	436.8	61.5	14.2	1.11	735.5	22.3
1933	444.5	44.9	13.8	1.05	750.1	23.2
1934	433.9	42.0	17.0	1.26	644.4	21.7
1935	390.0	54.4	23.4	1.87	658.3	20.8
1936	403.4	75.5	21.8	1.73	715.0	28.0
1937	423.9	65.6	21.3	1.76	601.1	25.8
1938	389.6	75.6	20.3	1.79	650.7	26.9
1939	418.6	70.0	17.4	1.49	696.7	33.6
1940	438.3	60.5	18.0	1.52	617.0	34.2
1941	422.9	65.4	23.5	2.15	716.8	33.2
1942	474.9	83.2	29.9	2.82	794.8	33.2
1943	540.8	103.7	1/37.6	1/3.48	925.7	33.0
1944	572.5	117.2			2/768.3	2/33.8

1/ Tentative estimates.
2/ Based on intentions as of February 1, 1944.

NUMBER OF CHICKENS ON FARMS JANUARY 1 AND VALUE PER HEAD; PRICE RECEIVED BY FARMERS FOR EGGS AND VALUE OF EGGS LAID PER HEN, UNITED STATES, 1910-44.

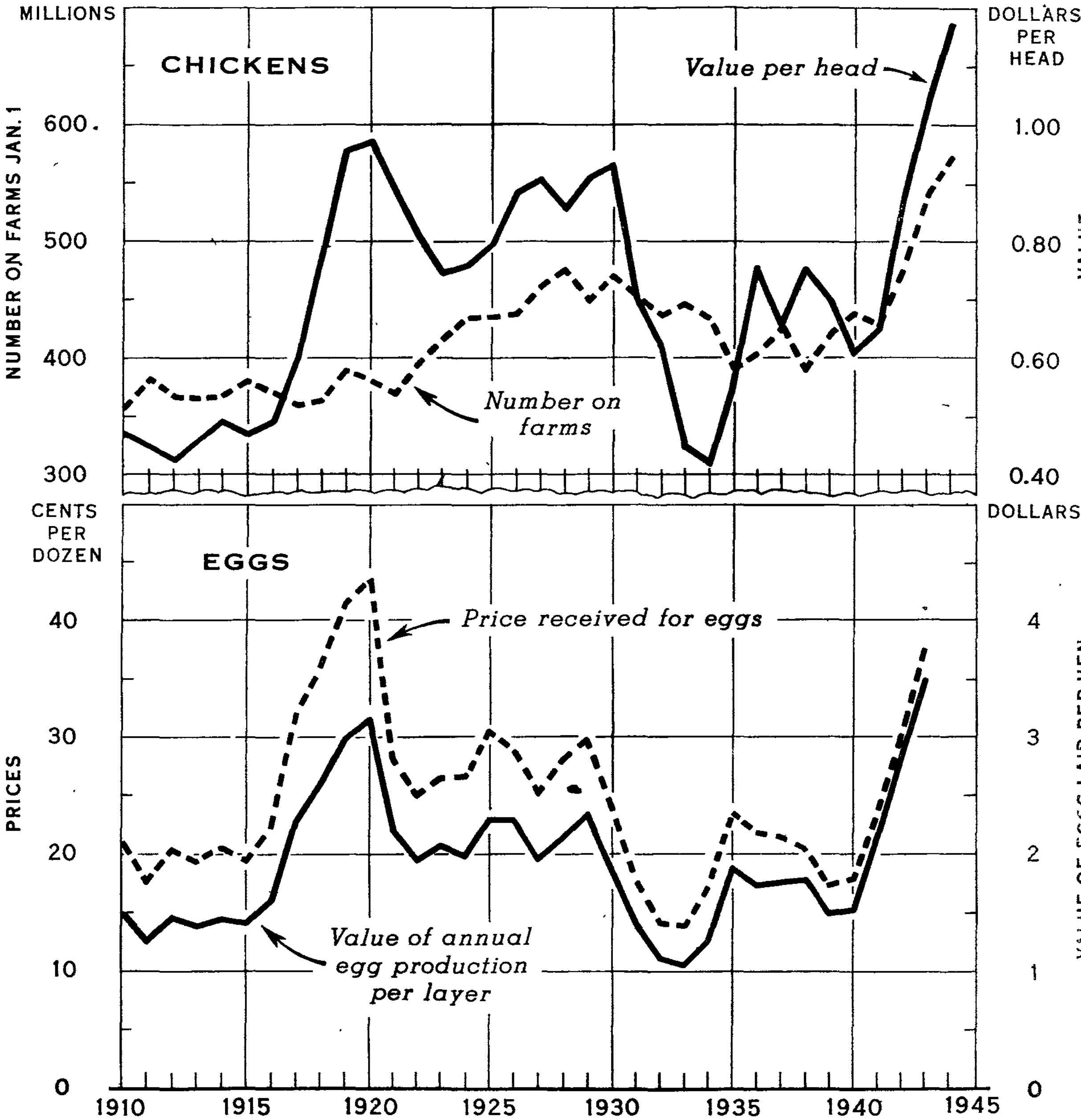

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FIGURE 3

Hens and pullets usually account for about 90 percent of all chickens on farms January 1, the annual seasonal peak. Hence, the value per bird on that date tends to reflect the profitability of producing eggs during the preceding year as well as the current value of the carcass. The larger number of eggs laid per bird and the more favorable egg-feed price relationship so far during this war largely account for the higher unit value of birds than in the previous war or post-war period.