

THE *Poultry and Egg* SITUATION

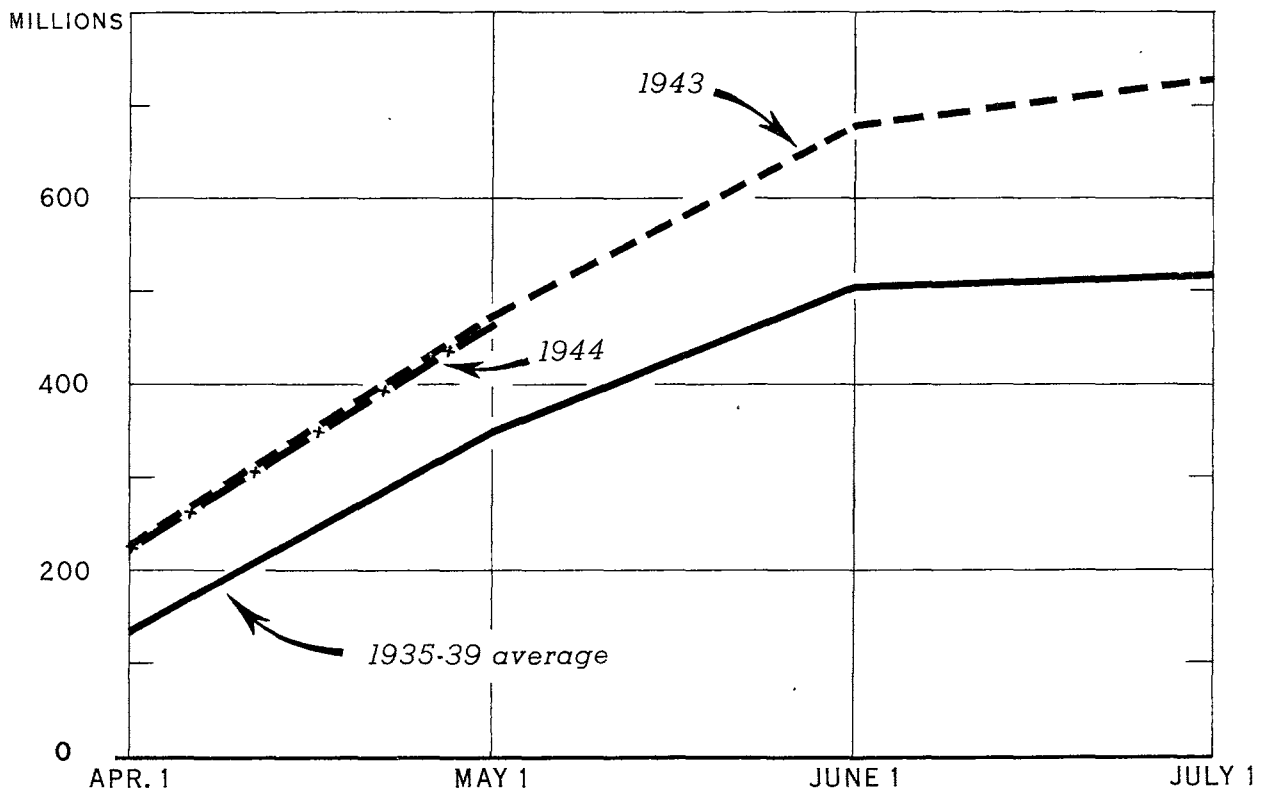
BUREAU OF AGRICULTURAL ECONOMICS
 UNITED STATES DEPARTMENT OF AGRICULTURE

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MAY 1944

CHICKS AND YOUNG CHICKENS ON FARMS 1ST OF EACH MONTH, APRIL-JULY, UNITED STATES, 1935-39 AVERAGE, 1943 AND 1944



Since farmers now obtain more than 80 percent of their chicks from commercial hatcheries, it is possible for the broods of chicks to be started earlier than formerly. However, in 1943, hatcheries were unable to meet farmers' demands in the usual season and an unusually large number was started after May 1. This year, with an ample early-season supply of hatching eggs and an all-time high in incubator capacity, the average starting date for replacement chicks probably will turn out to be the earliest on record. The number of young chickens on farms May 1 was lower than a year earlier by only 1 percent, but indications point to a much smaller hatch after May 1 this year than last.

STATISTICAL SUMMARY

I T E M	UNIT	AVERAGE			1943		1944		CURRENT MONTH AS PERCENT OF	
		PERIOD	MARCH	APRIL	MARCH	APRIL	MARCH	APRIL	YEAR EARLIER	AVER-AGE
Layers on farms, number	Million	1933-42	316.8	303.4	411.4	394.5	424.0	414.3	105	137
Net disappearance from flocks ¹	Index no.	1933-42	99.8	99.9	98.8	99.8	98.5	100.2	100	100
Number of eggs laid per hen	Number	1933-42	14.34	16.69	15.76	17.05	15.58	16.84	99	101
Total farm production of eggs	Mil. doz.	1933-42	378.6	422.1	540.2	560.5	563.6	581.5	104	138
Stocks, eggs, U. S.: ²										
Shell	1,000 case	1933-42	1,292	3,841	3,181	6,141	4,453	6,987	114	182
Frozen	1,000 case	1933-42	1,592	2,873	2,645	4,594	3,962	5,315	127	245
Total	1,000 case	1933-42	2,784	6,214	5,826	10,735	8,415	12,302	119	206
Apparent egg disappearance, civilian:										
Total shell egg equivalent	Mil. doz.	1933-42	340.1	310.8	358.4	298.0	349.5	324.3	109	104
Dried egg production	Mil. lb.	--	--	--	23.9	29.6	31.1	33.2	112	--
Commercial hatchery operations:										
Eggs set	Million	--	--	--	443.4	468.3	434.1	382.2	82	--
Chicks hatched	Million	1933-42	156.5	217.0	275.0	320.6	284.9	292.7	91	135
Receipts:										
Poultry, dressed, four markets	Mil. lb.	1933-42	16.7	16.6	13.3	8.9	17.6	19.7	221	119
Poultry, live, Chicago	Mil. lb.	1933-42	4.1	4.6	1.6	0.8	1.6	2.2	275	48
Poultry, live, New York	Mil. lb.	1933-42	10.5	11.0	11.8	13.3	13.3	12.6	95	115
Poultry, live, Midwest, per plant	1,000 lb.	1933-42	7.49	8.63	2.79	3.14	5.32	8.53	272	99
Fowl (hens), live, Midwest, per plant	1,000 lb.	1933-42	6.54	7.43	2.18	2.59	4.51	7.45	288	100
Young stock, live, Midwest, per plant	1,000 lb.	1933-42	--	--	(.40)	0.23	.43	.20	87	--
Stocks, poultry: ²										
Broilers	Mil. lb.	1933-42	8.3	5.9	3.1	1.7	9.2	6.4	376	108
Fryers	Mil. lb.	1933-42	8.4	5.6	4.1	2.0	12.9	9.1	455	162
Roasters	Mil. lb.	1933-42	21.1	14.8	10.6	4.7	28.6	20.8	443	141
Fowls (hens)	Mil. lb.	1933-42	14.3	10.4	10.9	6.4	45.8	35.0	547	337
Turkeys	Mil. lb.	1933-42	28.4	22.5	19.0	11.4	36.6	30.4	267	135
Ducks	Mil. lb.	1933-42	1.4	1.1	0.7	0.4	1.1	1.2	300	109
Miscellaneous and unclassified	Mil. lb.	1933-42	14.8	11.8	9.5	6.0	34.2	27.1	452	240
Total poultry	Mil. lb.	1933-42	96.7	71.6	58.1	32.5	168.5	130.0	400	182
Prices received by farmers:										
Eggs, per dozen	Cent	1933-42	17.0	17.2	34.0	33.7	30.1	27.1	80	158
Eggs, parity price per dozen	Cent	1933-42	22.6	22.2	28.4	28.5	30.0	30.0	105	135
Eggs, percentage of parity	Percent	1933-42	75	77	120	118	100	90	--	--
Chickens, per pound	Cent	1933-42	14.0	14.6	23.5	24.6	23.8	23.7	96	162
Chickens, parity price per pound	Cent	1933-42	14.8	14.8	18.4	18.5	19.4	19.4	105	181
Chickens, percentage of parity	Percent	1933-42	95	98	123	133	123	122	--	--
Turkeys, per pound	Cent	1933-42	16.7	16.5	28.7	28.8	31.3	30.7	107	186
All farm commodities (1910-14 = 100)	Index no.	1933-42	105	106	192	197	196	196	99	185
Chickens and eggs (1910-14 = 100)	Index no.	1933-42	91	93	172	174	162	151	87	162
Wholesale prices, Chicago:										
Eggs, standards, per dozen ³	Cent	1933-42	18.9	19.4	35.9	35.3	31.9	31.5	89	162
Live heavy hens, per pound	Cent	1933-42	18.2	18.5	26.0	25.5	25.4	25.9	102	140
Live broilers, per pound	Cent	1933-42	21.1	22.1	27.0	27.1	28.9	29.4	108	133
Live roasters, light, per pound	Cent	1933-42	22.0	22.8	31.5	30.4	28.9	29.4	97	129
Live roasters, heavy, per pound	Cent	1933-42	23.8	24.9	33.5	31.9	28.9	29.4	92	118
Wholesale prices, New York:										
Dressed broilers, 25-30 pounds per dozen, per pound	Cent	1933-42	22.2	22.7	33.5	34.3	37.5	38.2	111	168
Dressed roasters, 48-54 pounds per dozen, per pound	Cent	1933-42	23.9	24.6	38.0	37.9	37.5	38.2	101	155
Dressed fowls, 48-54 pounds per dozen, per pound	Cent	1933-42	21.9	23.2	32.5	32.5	38.5	34.2	105	147
Cash farm income:										
Total marketings	Mil. dol.	1933-42	635	652	1,310	1,322	1,408	--	107	222
Poultry and eggs	Mil. dol.	1933-42	73	84	199	210	194	--	97	266
Price ratios:										
Chicago, broiler-feed	Lb. feed	1933-42	16.8	17.2	13.3	13.0	12.8	13.0	100	76
Chicago, light roaster-feed	Lb. feed	1933-42	18.1	18.3	15.5	14.6	12.8	13.0	89	71
Farm, egg-feed	Lb. feed	1933-42	14.5	13.8	17.7	16.8	13.2	11.8	70	86
Farm, chicken-feed	Lb. feed	1933-42	12.2	12.1	12.2	12.3	10.4	10.3	84	85
Farm, turkey-feed	Lb. feed	1933-42	12.9	12.4	14.9	14.4	13.7	13.4	93	108
Farm, egg-laying mash	Lb. feed	--	--	--	10.9	10.7	8.4	7.5	70	--
Laying mash, cost per cwt.	Dollar	--	--	--	3.12	3.16	3.60	3.61	114	--
Feed cost per cwt., farm poultry ration	Dollar	1933-42	1.23	1.23	1.92	2.00	2.28	2.30	115	180
Wholesale food prices (1935-39 = 100)	Index no.	1933-42	95.6	95.3	135.8	137.0	132.2	132.6	97	138
Retail food prices (1935-39 = 100)	Index no.	1933-42	97.6	98.2	137.4	140.6	134.1	134.6	96	137
Prices paid by farmers including interest and taxes (1910-14 = 100)	Index no.	1933-42	129	129	160	162	170	170	105	132
Retail prices (BLS):										
Roasters, dressed, per pound	Cent	1933-42	30.7	31.3	46.3	46.4	44.9	45.0	97	144
Eggs, strictly fresh, per dozen	Cent	1933-42	30.3	29.7	50.3	49.9	47.8	45.0	90	152
Nonagricultural employees compensation (1935-39 = 100)	Index no.	1933-42	104.9	105.8	227.5	231.8	257.1	--	113	245

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

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

³Fresh firsts March and April 1933-42 average current Receipts, March and April 1943; standards, 44 pounds, March and April 1944.

THE POULTRY AND EGG SITUATION

Summary

Egg production has begun to decline from the seasonally high spring peak. But because of continued or increasing difficulties arising from a limited volume of egg cases and cooler storage facilities, supplies of eggs have continued to exceed demand at support levels as announced in January 1944. Wholesale prices for eggs in mid-May averaged around 2 cents per dozen lower than in mid-April. The United States average price received by farmers on April 15 was 27.1 cents per dozen compared with 33.7 cents a year earlier.

Since January this year the spread between prices in major cities and the average price received by farmers has been larger than a year earlier -- 17.9 cents in mid-April compared with 16.2 cents a year ago and the 1935-39 average of 12.3 cents.

However, as a percentage of retail prices in major cities, the average price received by farmers for eggs in mid-April this year was about equal to the pre-war average -- 60 percent in April compared with the 1935-39 average for April of 59 percent.

The rate of culling among laying flocks has increased seasonally since early April, after being comparatively low during the first quarter of the year. Reflecting less favorable egg-feed price relationships and the tight national feed supply situation, the number of layers on farms will decrease relative to a year earlier during the remainder of 1944. Sales of fowl from laying flocks in coming months will be heavier and the number of chickens raised for replacement purposes smaller than the record number raised in 1943. Thus, although the rate of production per bird may average about the same as

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a year earlier in the rest of 1944, total egg production will decline more sharply from the April-May peak to the fall low-point this year than during the comparable period of 1943. In the closing months of 1944 civilian supply of currently produced eggs probably will be smaller than the record supply a year earlier. However, cold-storage stocks of eggs available for civilian consumption this fall and winter may be about as large as last year. Estimated average per capita consumption for the year as a whole is 353 eggs compared with 344 last year.

Wholesale prices of live fowl declined somewhat during May, largely because of a seasonal upturn in marketings and perhaps to some extent because of the reduction of point values for many meat cuts to zero. Wholesale prices of all dressed birds have continued firm at ceiling levels. Total marketings of chicken will increase sharply in the next several weeks as increased numbers of fowl are culled from laying flocks and as chickens from the record early hatch begin to move to market. Even with a continuation of the present rationing program for red meats, consumer demand for poultry in 1944 probably will be sufficient to absorb all prospective supplies at or close to retail ceiling prices. At the wholesale level or earlier stages of distribution, however, temporary price declines may develop as a result of over-taxed processing, marketing or transportation facilities.

-- May 22, 1944

RECENT DEVELOPMENTS

Rate of Culling Increased During April

The rate of culling during the first quarter of 1944 in the nation as a whole was relatively light. This followed a period of relatively heavy culling in the closing weeks of 1943. Heavy culling late last year, together with favorable winter weather, which stimulated the rate of production per bird,

were partially responsible for the relatively low rate of culling during the first quarter, despite comparatively low egg prices in many sections. During April, however, the culling rate increased somewhat, averaging slightly above both the level of a year earlier and the 10-year average for that month. Compared with a year earlier, the April rate was lower in the West North Central and South Central States and higher in all other sections of the country.

The number of layers on farms declined from 434 million head during March to 414 million head during April. This reduction of 20 million head includes mortality losses as well as birds culled, and compares with a reduction of 17 million head in the corresponding period of 1943. Percentage mortality losses in laying flocks so far this year appear to have been about the same as a year earlier. The death loss of layers in 1943 was the lowest in the last 5 years and amounted to 16.2 percent of the numbers on farms January 1, 1943, compared with 19.4 percent in 1942. The lower death loss of layers in 1943 is attributed to improved practices of management, particularly more prompt sale of non-layers or extremely low producers. Relatively high prices for feed and chickens provided the incentive to farmers to sell low producers and non-layers more promptly than usual.

Egg Production Continues at Record Levels

Although the number of layers decreased slightly during April relative to a year ago, the average number on hand was 5 percent larger than in April 1943. The rate of lay per bird increased seasonally from March to April, averaging 1 percent lower than a year earlier in both months. Total egg production in the United States during April was 4 percent larger than the previous record for that month in 1943, and 38 percent above the 1933-42 average.

Receipts of eggs at terminal markets have declined from the seasonal peak, but are continuing unusually large for this season of the year. Receipts of eggs at Midwest primary markets in April were smaller than a year earlier, but in the Pacific Coast and the Northeast primary outlets receipts were much larger than a year ago. In April and May 1943, egg prices were firm at ceilings, thus encouraging more direct transactions from the producer level to points of consumption. Also, eggs were dealt in at wholesale markets to a large extent on the basis of consumer grades rather than wholesale grades.

Egg Prices Decreased in Early May

The structure of egg prices in the United States this spring has been characterized by a great dispersion of prices, reflecting the tight egg case situation, limited storage facilities, and numerous other difficulties that have been encountered in marketing the record egg output.

After the sharp drop in egg prices during late March, the strong demand for eggs at Easter, together with an expanded price-support program, brought about an increase in price. Wholesale prices of eggs were steady through most of April, but by the middle of May prices had again declined to the levels

of late March. Wholesale prices in mid-May averaged from 1 to 4 cents per dozen lower than in mid-March, and about 5 to 8 cents below prices in mid-May 1943 in Chicago and New York and 3 to 4 cents below prices a year earlier in San Francisco. In all three markets wholesale prices are 5 to 7 cents below the ceilings now in effect for wholesale trading. Despite the further decline in wholesale prices during recent weeks some indications point to increased prices in those localities where especially low prices were experienced.

The average price received by farmers for eggs in mid-April was 27.1 cents per dozen compared with 33.7 cents in April last year and the support price which is a United States average farm price of 30 cents a dozen for the spring and early summer months. This reduction in the United States average farm price has occurred despite the purchase by the War Food Administration from January to mid-May of 149.3 million pounds of dried egg and record amounts of shell eggs. The weakness in egg prices in recent weeks reflects continued or increased difficulties arising from the tight egg case situation and limited storage space available particularly cooler space. The reduction of ration point values of many meat cuts to zero also may have temporarily influenced the demand for eggs.

During the first quarter of 1944, apparent disappearance of eggs into civilian channels was only slightly larger than a year earlier, even though production was 11 percent greater. The larger into-storage movement, and greater quantities used for drying absorbed most of the increase in production. During April, however, the into-storage movement was smaller than in April last year, and the quantities used for drying were only slightly larger. Apparent disappearance into civilian channels was 9 percent larger than in April 1943. Total disappearance of eggs in the first 4 months of 1944 was 4 percent greater than in the corresponding period of 1943.

During the past several months retail egg prices have been lower than a year earlier by a smaller margin than prices received by farmers. The average price for fresh eggs as reported by the Bureau of Labor Statistics for major cities was 45 cents per dozen in mid-April compared with 47.8 cents in mid-March, and 49.9 cents in mid-April 1943. An available series of retail prices for New York City indicates that retail prices were fairly steady from mid-April to mid-May.

The spread between retail prices in major cities and the average price received by farmers for all eggs has been larger than a year earlier since January 1944. In mid-April, this spread amounted to 17.9 cents per dozen compared with 16.2 cents a year ago and the 1935-39 average of 12.3 cents. This relationship can also be expressed in another way. The average price received by farmers in the United States in mid-April of this year was 60 percent of the average retail price in major cities, compared with 68 percent in April last year, and an average of 59 percent for April during 1935-39.

Purchases of Eggs by WFA
Continue Large

In early May, further changes were made in the procedure for purchasing shell eggs for price-support purposes. These changes were designed to make

the price-support program more effective. They include: (1) An increase in margins allowed the buying agents from 3 cents for all current receipts to 3-1/2 cents for current receipts packed in fiber board or used cases, and 4-1/2 cents in new cases; (2) buying agents were authorized to pay producers 27 cents per dozen for current receipts instead of 26 cents, and (3) a single support price was established for current receipts regardless of location. Purchases of eggs were increased considerably in late April and May.

Purchases of dried egg by WFA increased to an average of 4.9 million pounds weekly during the first half of May, after averaging 3.5 million pounds weekly during April. The lower rate of purchase during April apparently was due in part to uncertainties concerning future price policies and methods of adjusting payments for dried egg. At the end of April all egg driers were notified that prices of dried egg for future delivery would be based on the cost of the raw products plus a specified processing allowance for the type of product used. These allowances were 16 cents per dozen for shell eggs used in drying, 9 cents per pound for liquid egg, and 11 cents per pound for frozen egg.

Total purchases of dried egg by WFA up to mid-May on the 1944 program amounted to 149.3 million pounds. This quantity is to be delivered over a period ending January 31, 1945, and is about 80 percent of the objective for 1944, announced early this year as 185 million pounds.

Since April 1, the weekly rate of purchase of shell eggs for strictly price-support purposes apparently has been even larger than in June 1940, in which month 870 thousand cases were purchased.

Into-Storage Movement of Eggs During April Smaller than a Year Ago

Storage stocks of eggs began to be accumulated much earlier than usual this past winter and the rate of accumulation was somewhat larger than in 1943 up to April 1. From April 1 to mid-May, however, the weekly into-storage movement of shell eggs has averaged about 9 percent lower than a year earlier. Stocks of shell eggs on May 1 totaled 7.0 million cases, compared with 4.5 million cases on April 1, and 6.1 million cases on May 1, 1943.

Liquid egg production, like the into-storage movement of shell eggs, began much earlier than usual this year, but unlike storage holdings of shell eggs, stocks of frozen eggs have accumulated since April 1 at about the same rate as a year earlier. May 1 stocks of frozen egg totaled about 5.8 million cases (shell egg equivalent), compared with 4.0 million cases April 1, and 4.6 million cases on May 1, 1943. The shell egg equivalent of all eggs in storage on May 1 was 12.8 million cases, compared with 10.7 million cases a year earlier. In the middle of May, the WFA made contracts with private firms for the breaking and freezing of shell eggs that had been purchased for price-support purposes.

Poultry Marketings Increasing

The increased rate of culling during April resulted in a substantial increase in marketings of birds from laying flocks. Receipts of fowl at

Midwest markets during April were 21 percent larger than the 1938-42 average for April. Broiler marketings probably were a little smaller than a year earlier during April and early May. But with larger storage supplies of poultry to draw on, the total supply of chicken from all sources has been slightly larger than the previous record for this period reached in 1943. During the past several weeks, with larger supplies of chicken and a larger supply of red meats than a year ago, supply of chicken has been in better balance with demand at ceiling prices than a year earlier. In fact prices of some live birds have been below ceiling levels during recent weeks. The ceilings for May this year, however, are 2.2 cents higher than those in effect in May 1943.

Weakness in prices of live birds was most noticeable for Leghorn fowl. Prices for this class in the middle of May were somewhat below ceilings in many markets, about 1 cent below the prices in mid-April 1944 before ceilings were increased, but about the same as in mid-May 1943. Wholesale prices of dressed birds have continued steady at ceiling levels in all major markets.

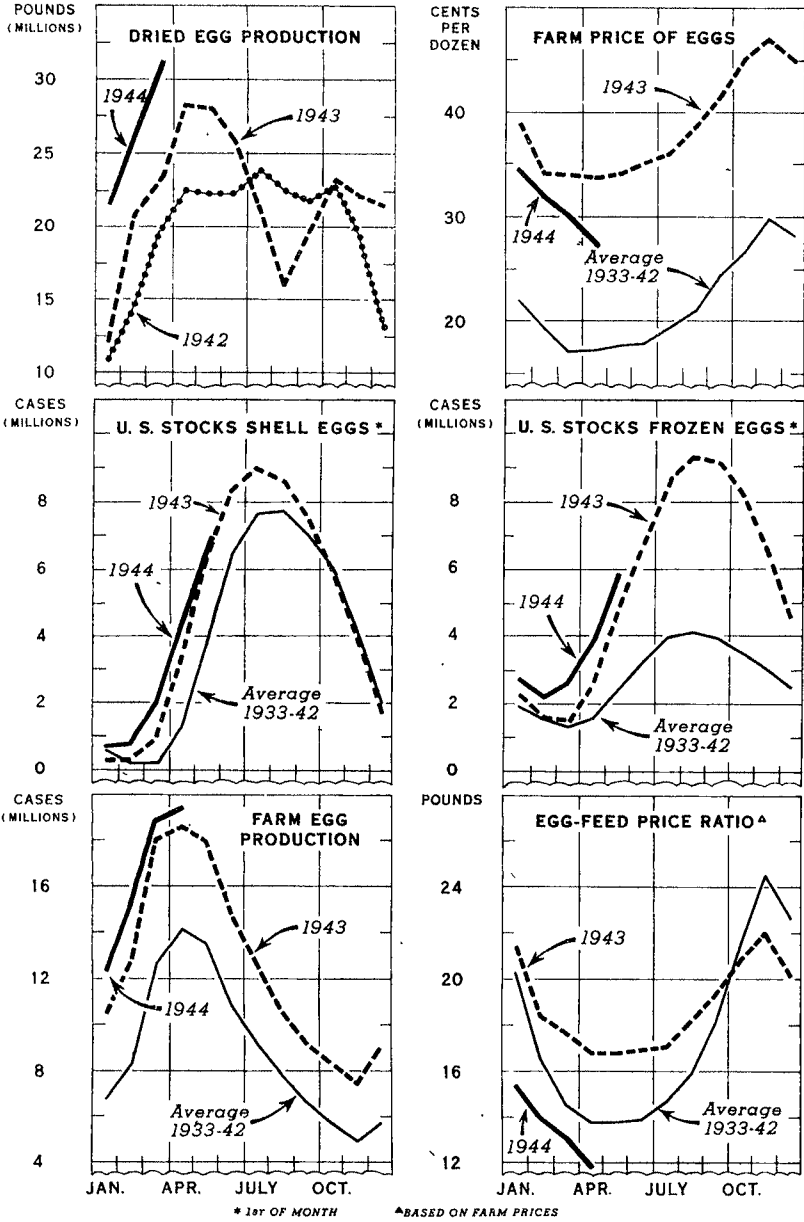
Storage Stocks of Poultry Decreased Seasonally in April

The total net withdrawal of poultry from storage during April was the second largest on record for the month, having been exceeded only by the movement in April 1942. But relative to the record high storage holdings, the reduction was a little less than usual. Holdings of poultry in the United States on May 1 totaled 130 million pounds, compared with 32.5 million pounds on May 1, 1943, and the 1933-42 average for May 1 of 71.6 million pounds. Lower rates of withdrawals so far this year have been due largely to FDO 91, which restricted sales of most classes of poultry until certain minimum amounts had been obtained by the armed forces. Available data on storage holdings of poultry include any quantities owned by the armed services.

OUTLOOK

BACKGROUND.- With farmers' obtaining an increasing proportion of their chicks from commercial hatcheries, the average date at which chicks for replacement purposes are started has tended to come earlier in the spring. This tendency was interrupted only temporarily in the 3 years 1941-43. In those years, it was necessary for farmers to accept chicks for late delivery, because total demands for chicks in the usual hatching season were more than the possible output of hatcheries. The earlier average starting date of chicks is indicated by a comparison of the number of young chickens on farms May 1 with the estimated annual number raised. In the early 1930's the number of young chickens on farms May 1 was equivalent to around 47 percent of the number raised each year. By the late 1930's this percentage averaged 52 percent, but in the 3 years 1941-43 averaged about 51 percent. The number on farms May 1 this year as a percentage of the number raised in 1944 as a whole, probably will exceed any previous year.

THE EGG SITUATION

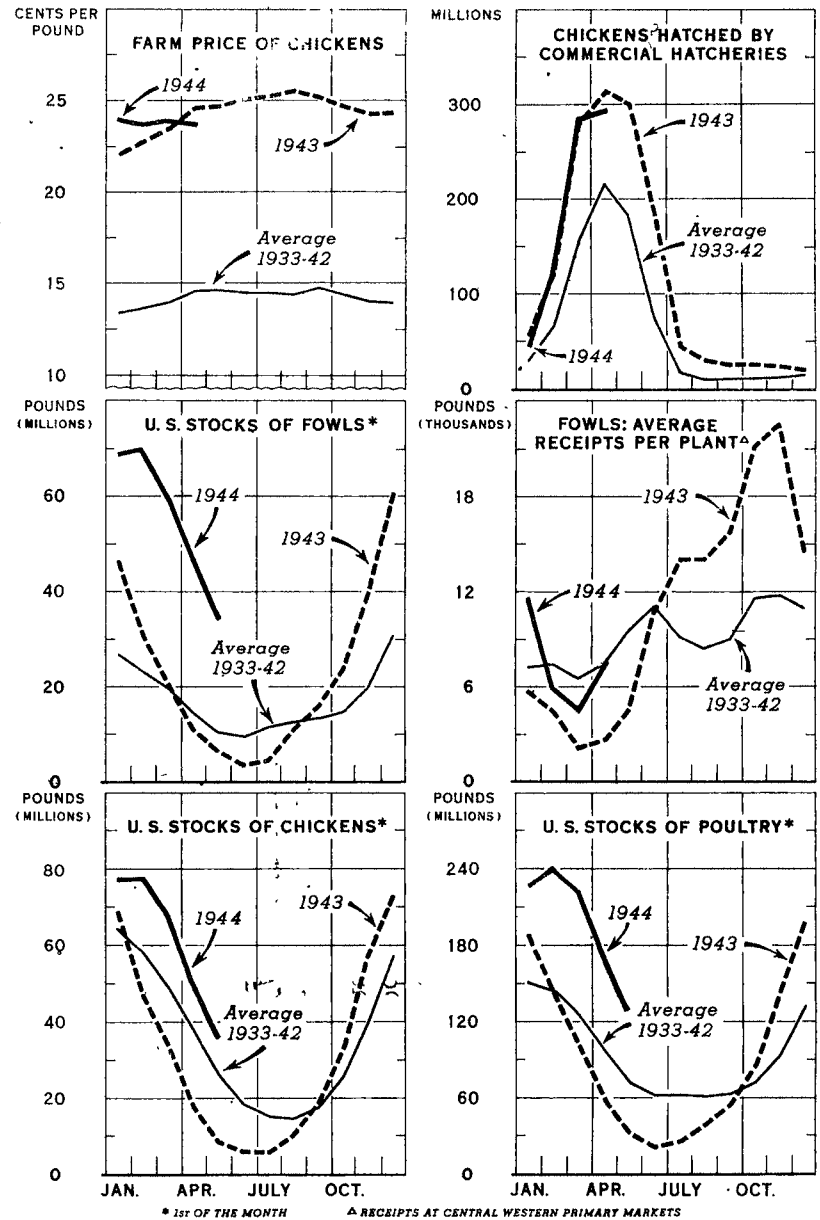


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FIGURE 1

THE POULTRY SITUATION



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FIGURE 2

Hatchery Production
Now Declining

With ample supplies of hatching eggs available during the first quarter of 1944, the total output of commercial hatcheries increased more than seasonally. Production of chicks in January was 20 percent smaller than in January 1943 but the March output was 4 percent larger than a year earlier. The record high production in March probably was accomplished with no increase over a year earlier in percentage of capacity utilized, since there has been a further increase in incubating and hatching facilities during the past year.

Output of chicks by commercial hatcheries increased less than seasonally, only 8 million head from March to April this year, an increase of 3 percent compared with 17 percent in 1943 and the 1938-42 average of 28 percent. Both the actual and percentage increase in numbers of birds between these 2 months this year was the smallest on record. In April the total number of chicks hatched was 9 percent smaller than a year earlier.

The number of eggs set declined contra-seasonally from March to April this year. Settings in April totaled 382 million eggs, 12 percent less than in March, and 18 percent less than in April 1943. In the period 1938-42, settings of eggs in April averaged 4 percent larger than in March. The number of chicks booked on May 1 for later delivery was 55 percent smaller this year than last, and many hatcheries have indicated that they intend to close much earlier this year. Together, all these elements indicate a much sharper decline in chick output from the April peak this year than occurred after April 1943. It is likely that the decline after April this year will be fully as sharp as the relative decline that occurred prior to 1941, in contrast to the 3 years 1941-43 when heavy late hatchings were necessary fully to meet farmers' demands for chicks.

In 1943 the late hatch of chicks was particularly large -- the number of chickens under 3 months old on September 1, 1943, was 69 million head, or 44 percent, larger than a year earlier. The number of chicks hatched in June-August 1943 totaled 263 million, compared with 174 million in the comparable period of 1942 and only 113 million in June-August 1940. The hatch in May 1943 totaled 300 million head compared with 244 million in May 1942 and 180 million in May 1940.

Commercial Broiler Production
About Same as a Year Earlier

The output of baby chicks for use in producing commercial broilers was smaller than a year earlier from October 1943 through January 1944. Beginning in February 1944, however, with steady selling prices for chickens, temporarily ample feed supplies and declining feed prices in limited sections, along with an ample supply of baby chicks at declining prices, purchases of chicks for broiler purposes increased, particularly in the Delaware-Maryland-Virginia region of the eastern Seaboard. On February 1, 1944, there were 16.5 million birds in Delaware broiler houses but by May 1 the number reached 20.5 million, the highest experienced in

nearly 2 years of record, compared with 17.0 million on May 1, 1943. In most other parts of the Nation, however, the current rate of broiler output appears to be no larger than a year ago, and in some sections broiler raising operations are running considerably under a year earlier.

For the nation as a whole, the number of chicks used for producing broilers so far in 1944 appears to be slightly under a year earlier. This conclusion is suggested by a comparison of the output of commercial hatcheries with the number of chicks started on farms for flock-replacement purposes. In the first 4 months of 1944 the output of commercial hatcheries was smaller than a year earlier by 4.5 percent or 35 million head, while the number of young chickens on farms for flock-replacement purposes was smaller by 1.4 percent or 6.5 million. The smaller reduction in numbers of farm chickens than in commercial hatchery output may reflect some shift from use of chicks for back-yard flocks, but the volume involved in any such shift probably has not been sufficiently large to offset the general indication that the national broiler output is running approximately the same as or a little less than a year ago.

Poultry Marketings to Increase
Considerably in Coming
Weeks

Sales by farmers of both young chickens and fowls will increase sharply in the next several weeks. The increase during the late spring and early summer this year probably will be sharper than usual, because of prospective heavy culling of the record large laying flocks and heavy marketings of early-hatched young chickens. Lower national reserves of feed this year than in any year since 1936-37, the last year of severe drought, together with higher feed prices and lower egg prices than last year, and about the same level of chicken prices, will tend to encourage an early movement of chickens off farms. To supplement price incentives in bringing about an early movement of fowl off farms, the WFA and cooperating agencies have launched a program to inform farmers of the possibilities of saving feed by selling promptly the early molting hens, broody birds, and non-layers or extremely low egg producers. All these indications combined, point to the likelihood of a record proportion of 1944 chicken marketings in the third quarter of the year. Total chicken supplies for civilians probably will continue larger than the record of the comparable period of 1943 through most of the third quarter of 1944, but thereafter are likely to decline considerably compared with a year earlier.

With prevailing large consumer incomes the civilian demand for poultry probably will be sufficient to absorb all prospective supplies at or close to scheduled ceiling prices. Of course, difficulties arising from over-taxed processing, transportation, packaging, and storing facilities could hinder the movement of poultry so as to result in temporary declines below ceilings in prices to producers for live birds. Freezer occupancy, which recently declined, promises to cause somewhat less trouble for poultry storage operations than the tight storage situation caused for eggs in the past several months. On May 1, 85 percent of the freezer space in the United States was occupied, compared with 92 percent 2 months earlier, the record high.

Hatch of Poults Continues Larger
Than Last Year

With mild weather early this year turkey hens began laying eggs much earlier than usual, thus making it possible to obtain an unusually large number of early poults. The heavier rate of poult hatching continued through April -- output by a sample of hatcheries in that month was 21 percent greater than in April last year. Despite the heavy early start in poult production it is likely that the number of turkeys raised in 1944 as a whole will be only moderately larger than in 1943. Much of the larger output in the early months probably will be offset by a smaller output in late spring and early summer.

Seasonal Decline in Egg Production
Until November to be Greater
Than a Year Earlier

Because of prospective heavier sales of old hens from laying flocks in the next several months, and fewer replacement chicks being raised, the size of laying flocks will decline relative to a year earlier during the remainder of 1944. By January 1, 1945, the number of layers on farms may be from 8 to 10 percent smaller than on January 1, 1944, or a little less than the number at the beginning of 1943. The rate of egg production per layer will decline seasonally until November, but probably will average almost as high as a year earlier. Total egg production on farms is likely to continue larger than the previous record level of 1943 into the third quarter of this year but in the last quarter output is likely to be moderately smaller than in the comparable period of 1943.

Compared with a year earlier, civilian supplies of eggs will decline more rapidly from the spring peak, and in the closing months of 1944 probably will be smaller than in 1943. With fairly steady consumer incomes in prospect, and with some tendency for civilian supplies of meat to decline, the consumer demand for eggs may become stronger as the end of this year is approached. Hence, it is likely that the increase in egg prices from present levels, which are below both ceilings and support levels, to the annual peak next fall will be greater than the increase during the comparable period a year earlier.

In recent months the egg-feed price ratio has been moderately below the 1933-42 average and considerably below the level of a year earlier. This ratio is likely to increase more than a year earlier from spring to fall. But for the second half of the year it may be about the same as in the corresponding period of 1943, which was about equal to the 1933-42 average.

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