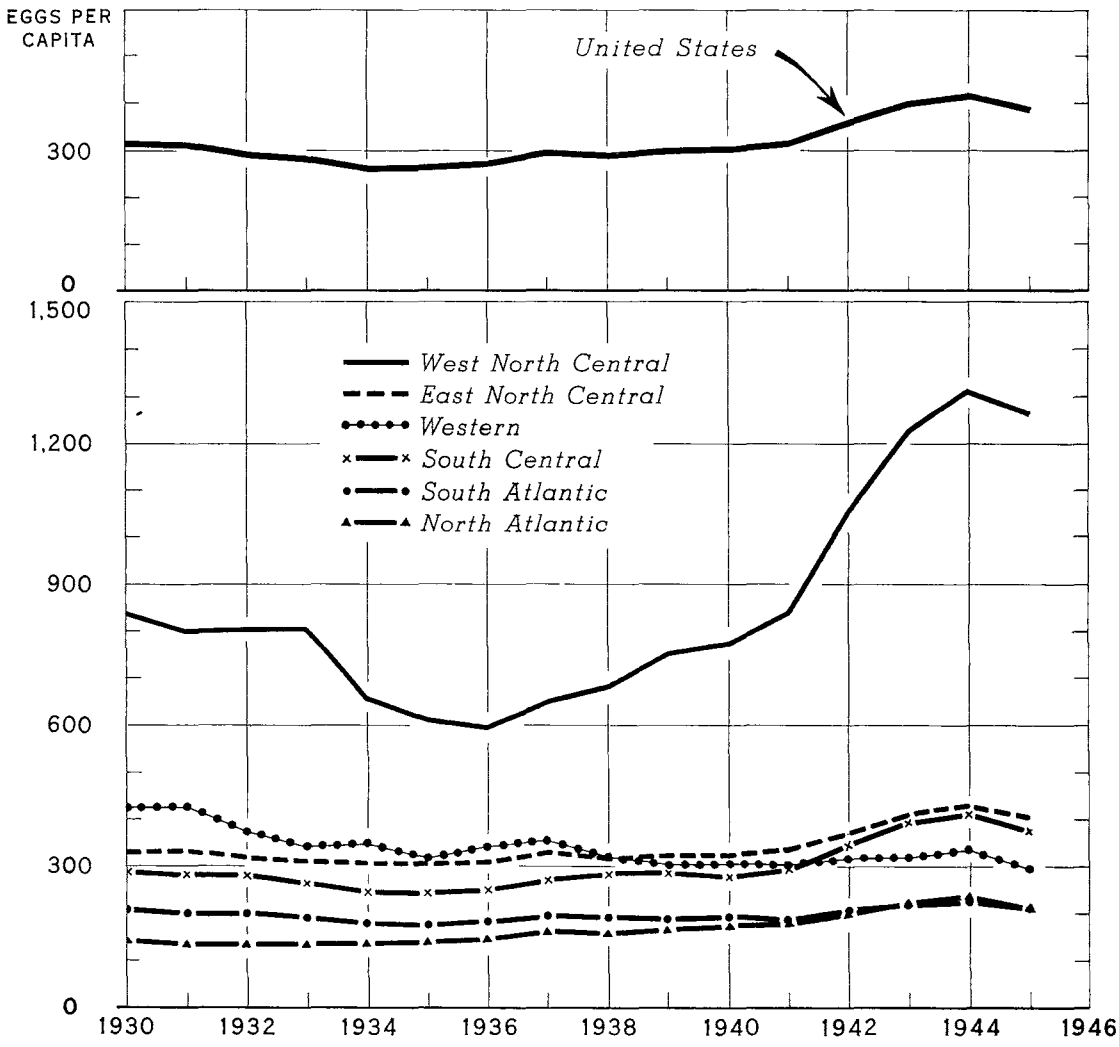
THE Poultry and Egg SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

PES - 103 BAE JULY 1945

FARM EGG PRODUCTION PER CAPITA, UNITED STATES AND REGIONS, 1930-45



REGIONAL PRODUCTION DIVIDED BY REGIONAL JULY 1 POPULATION 1945 PRELIMINARY INDICATION

U S DEPARTMENT OF AGRICULTURE NEG 45404 BUREAU OF AGRICULTURAL ECONOMICS

Reflecting strong wartime demands for eggs, farm egg production per capita in the West North Central, East North Central, and South Central States increased greatly over pre-war. The North Atlantic States have been showing a steady upward trend in per capita production, probably as a result of the expansion in commercial egg production. Production per capita in the Western States has been declining over a period of years, partly because of a rapid increase in population in that area. Per capita production in the South Atlantic States has remained relatively stable.

STATISTICAL SUMMARY

ITEM	UNIT	AVERAGE			1944		1945		CURRENT MONTH AS PERCENT OF	
		PERIOD	MAY	JUNE	MAY	JUNE	MAY	JUNE	YEAR EARLIER	AVERAGE
Layers on farms, number	*Million*	1934-43	294.9	277.9	391.8	365.0	358.6	389.5	93	122
Number of eggs laid per hen	*Number*	1934-43	16.98	14.60	17.19	14.97	17.57	15.60	104	107
Total farm production of eggs	*Mil. doz.*	1934-43	417.9	338.6	561.2	455.4	525.0	441.2	97	130
Stocks, eggs, U. S.:[1]										
Shell	*1,000 case*	1934-43	6,464	7,614	9,632	11,335	5,432	6,125	54	80
Frozen	*1,000 case*	1934-43	3,732	4,574	7,799	9,446	6,185	6,948	74	152
Total, shell and frozen	*1,000 case*	1934-43	10,196	12,189	17,431	20,781	11,617	13,073	68	107
Dried whole eggs	*Mil. lb.*	---	---	---	77.2	81.3	57.3	41.0	50	---
Apparent egg disappearance, civilian:										
Total shell egg equivalent	*Mil. doz.*	1934-43	301.1	280.4	300.0	244.6	382.8			
Dried egg production	*Mil. lb.*	---	---	---	34.6	32.7	12.5			
Commercial hatchery operations:										
Chicks hatched	*Million*	1934-43	199.6	89.2	239.0	75.0	311.2	182.4	243	204
Receipts:										
Poultry, dressed, four markets	*Mil. lb.*	1934-43	20.6	28.3	26.3	36.5	16.2	18.8	52	81
Poultry, live, Chicago	*Mil. lb.*	1939-43	4.8	5.3	4.3	4.8	1.5	2.2	46	42
Poultry, live, New York	*Mil. lb.*	1939-43	9.7	9.7	13.0	10.8	3.9	4.4	41	45
Poultry, live, Midwest, per plant	*1,000 lb.*	1934-43	11.3	15.2	15.4	25.1	6.1	9.4	37	62
Fowl (hens), live, Midwest, per plant	*1,000 lb.*	1934-43	8.9	10.8	12.6	19.4	3.7	6.4	33	59
Young stock, live, Midwest, per plant	*1,000 lb.*	1934-43	---	3.5	1.0	4.5	1.8	2.3	51	66
Stocks, poultry:[1]										
Broilers	*Mil. lb.*	1934-43	4.4	4.6	4.8	4.3	1.8	1.9	44	41
Fryers	*Mil. lb.*	1934-43	3.4	2.5	7.1	6.6	5.9	7.3	111	292
Roasters	*Mil. lb.*	1934-43	9.6	6.9	15.2	12.9	19.3	17.4	135	252
Fowls (hens)	*Mil. lb.*	1934-43	9.3	11.1	30.4	37.6	16.9	14.1	38	127
Turkeys	*Mil. lb.*	1934-43	20.1	18.7	35.7	35.3	28.8	27.6	78	148
Ducks	*Mil. lb.*	1934-43	2.0	4.0	2.4	5.0	.4	.8	16	20
Miscellaneous and unclassified	*Mil. lb.*	1934-43	12.9	12.3	29.6	35.0	29.3	30.0	86	244
Total poultry	*Mil. lb.*	1934-43	59.7	60.1	122.7	130.8	102.2	98.2	75	163
Prices received by farmers:										
Eggs, per dozen	*Cent*	1934-43	19.9	20.4	27.2	28.1	33.7	35.8	127	175
Eggs, parity price per dozen	*Cent*	1934-43	22.7	22.7	30.5	31.5	31.6	32.0	102	141
Eggs, percentage of parity	*Percent*	1934-43	86	88	89	89	107	112	126	127
Chickens, per pound	*Cent*	1934-43	16.1	16.0	24.4	23.8	26.6	27.5	116	172
Chickens, parity price per pound	*Cent*	1934-43	15.2	15.2	19.3	19.4	19.7	19.7	102	130
Chickens, percentage of parity	*Percent*	1934-43	105	104	126	123	135	140	114	135
Turkeys, per pound	*Cent*	1939-43	18.4	18.0	30.5	30.0	31.2	33.4	111	186
Turkeys, parity price per pound	*Cent*	1939-43	19.8	19.9	24.3	24.5	24.9	24.9	102	125
Turkeys, percentage of parity	*Percent*	1939-43	93	90	126	122	125	134	110	149
All farm commodities (1910-14 = 100)	*Index no.*	1934-43	118	118	194	198	200	206	107	175
Chickens and eggs (1910-14 = 100)[2]	*Index no.*	1934-43	121	123	168	169	196	207	122	168
Wholesale prices, Chicago:										
Eggs, standards, per dozen	*Cent*		---	---	30.8	33.6	35.3	3/	---	---
Live heavy hens, per pound	*Cent*	1939-43	18.7	18.1	26.2	23.4	28.1	27.2	116	150
Live broilers, per pound	*Cent*	1939-43	22.6	21.2	31.1	29.6	3/	3/	---	---
Live fryers, per pound	*Cent*	1939-43	23.5	22.4	31.1	29.9	31.6	30.8	103	138
Live roasters, heavy, per pound	*Cent*	1939-43	25.3	25.3	31.1	29.9	31.6	30.8	103	122
Wholesale prices, New York:										
Dressed broilers, 25-30 pounds per dozen, per pound	*Cent*	1934-43	25.6	26.0	39.7	38.5	40.2	39.5	103	152
Dressed roasters, 48-54 pounds per dozen, per pound	*Cent*	1934-43	27.8	27.9	39.7	38.5	40.2	39.5	103	142
Dressed fowls, 48-54 pounds per dozen, per pound	*Cent*	1934-43	24.4	22.8	34.2	35.7	36.3	35.5	99	156
Cash farm income:										
Total marketings	*Mil. dol.*	1939-43	854	871	1,452	1,505	1,451			
Poultry and eggs	*Mil. dol.*	1939-43	115	112	203	185	226			
Price ratios:										
Chicago, broiler-feed	*Lb. feed*	1939-43	15.3	14.8	13.7	13.1	---	---	---	---
Chicago, light roaster-feed	*Lb. feed*	1939-43	16.3	16.1	13.7	13.2	14.1	---	---	---
Farm, egg-feed	*Lb. feed*	1934-43	10.4	10.6	9.1	9.4	11.7	12.4	132	117
Farm, chicken-feed	*Lb. feed*	1934-43	8.5	8.5	8.1	7.9	9.3	9.5	120	112
Farm, turkey-feed	*Lb. feed*	1934-43	8.7	8.4	10.2	10.0	10.9	11.6	116	138
Farm, egg-laying mash	*Lb. feed*	---	---	---	7.5	7.7	9.5	10.1	131	---
Laying mash, cost per cwt.	*Dollar*	---	---	---	3.65	3.65	3.54	3.55	97	---
Feed cost per cwt., farm poultry ration	*Dollar*	1934-43	---	---	---	---	2.87	2.88	---	---
Wholesale food prices (1935-39 = 100)	*Index no.*	1934-43	102.9	104.1	132.7	134.6	135.3			
Retail food prices (1935-39 = 100)	*Index no.*	1934-43	105.3	106.2	135.5	135.7	138.8			
Prices paid by farmers including interest and taxes (1910-14 = 100)	*Index no.*	1934-43	134	134	169	170	173	173	102	129
Retail prices (BLS):										
Roasters, dressed, per pound	*Cent*	1934-43	34.2	34.3	46.5	46.0	47.1			
Eggs, strictly fresh, per dozen	*Cent*	1934-43	33.2	34.4	44.9	45.7	49.7			
Nonagricultural employees compensation (1935-39 = 100)	*Index no.*	1934-43	124.3	126.8	264.2	266.4	272.8			

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

[2] Adjusted for seasonal.

[3] No quotation.

THE POULTRY AND EGG SITUATION

Contents

SUMMARY

Demand for eggs will remain strong well into 1946, and will continue to exceed supplies at least until egg production increases seasonally beginning next December. Civilian per capita consumption of eggs in the second half of 1945 will be about the same as in the second half of 1944, but will be moderately less than in the first half of 1945, reflecting the seasonal decrease in output.

Egg production has risen to high levels during the war. During the past three years, one-fourth to one-third of the farm egg production in the West North Central States and about one-fifth of the production in the East North Central and South Central States have been utilized in drying, to meet lend-lease and military needs. When the strong wartime demand for eggs weakens because of larger civilian supplies of meats and as a result of reductions in dried-egg requirements, downward adjustments in egg output may occur in those areas. With increasing competition from supplies in the Midwest, egg production in the North Atlantic States also may decline. Little change from present production levels is likely in the South Atlantic and Western regions. In the South Atlantic States, production is below consumption and in the West, where population has increased rapidly in recent years, production is likely to continue below consumption levels.

The average price received by farmers for eggs rose contra-seasonally from mid-May to mid-June, when at 35.8 cents per dozen the average price was 2.1 cents

per dozen higher than a month earlier. The average price for chickens in mid-June, at 27.5 cents per pound, was 0.9 cent higher than in mid-May. Since January, the farm price of chickens has increased 3.3 cents per pound. Usually, little or no change takes place in that period.

Thus far this year, the outstanding development in egg production has been a record rate of lay. For the first six months, layers produced an average of 89 eggs, 3 percent more than last year. The number of layers on farms averaged 9 percent less than a year earlier, but egg production was only 6 percent smaller than in the first half of 1944.

Stocks of shell and frozen eggs were at their seasonal peak early in July. This is the earliest that frozen egg stocks have reached their seasonal high point. However, with large Government holdings, commercial shell egg stocks of 4.7 million cases were the lowest on record for July 1. Dried egg stocks on July 1 totaled 41 million pounds, 16 million pounds less than a month earlier and 40 million pounds less than a year earlier.

Chicken meat supplies will increase seasonally during the second half of 1945, when marketings of chickens probably will be somewhat larger than those in the second half of 1944, mainly due to a larger production of commercial broilers. The military will continue to take a large part of the total supply.

Commercial hatchery operations during June were exceeded only in June 1943. Output of baby chicks for the remainder of 1945 is expected to remain at levels unparalleled in the history of the hatchery industry, reflecting the strong demand for chickens, especially broilers. The number of chicks and young chickens on farms July 1, including a large percentage of cockerels, was 656 million, 11 percent above last year. Based on past relationships, this would indicate that laying flocks on January 1, 1946 will be slightly larger than on January 1, 1945.

-- July 21, 1945.

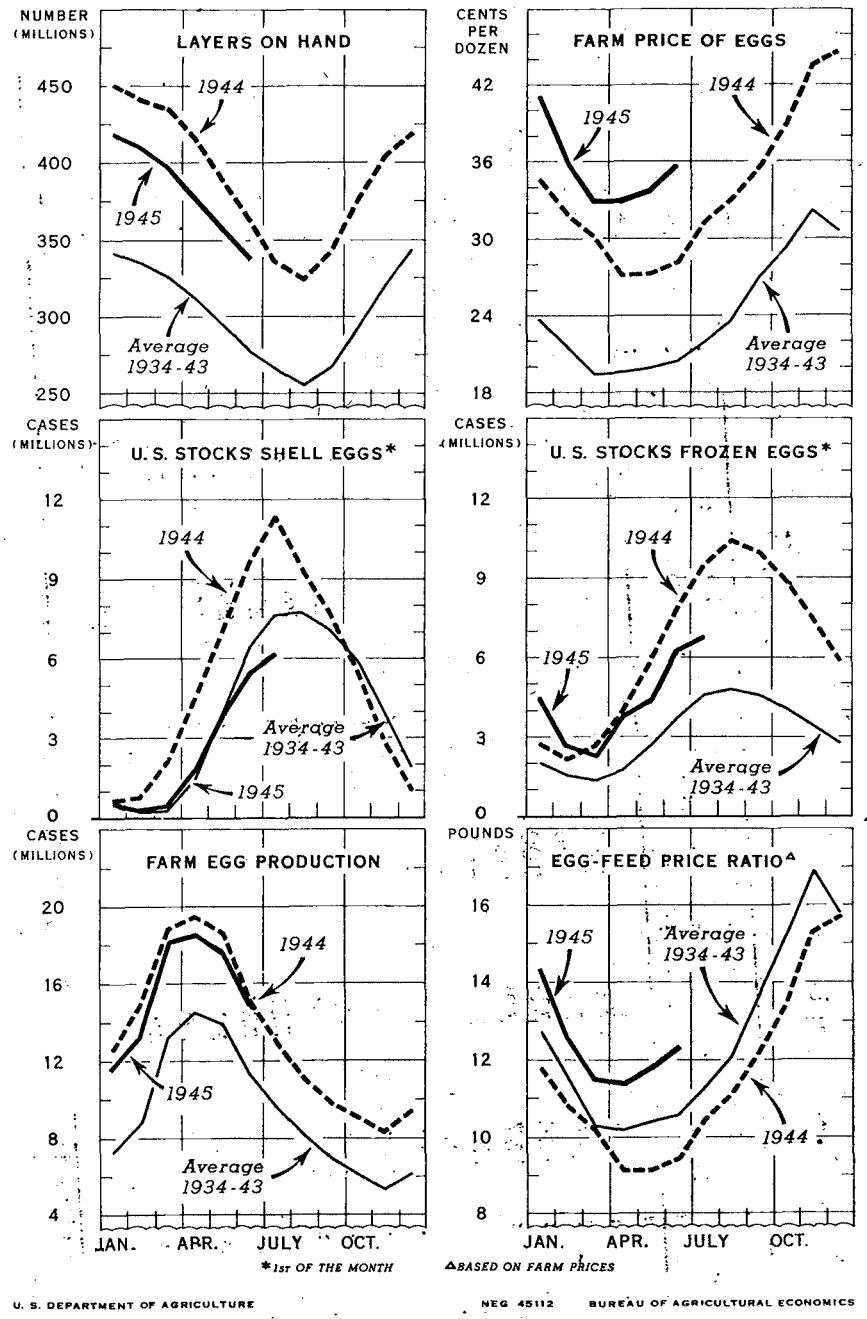


FIGURE 1

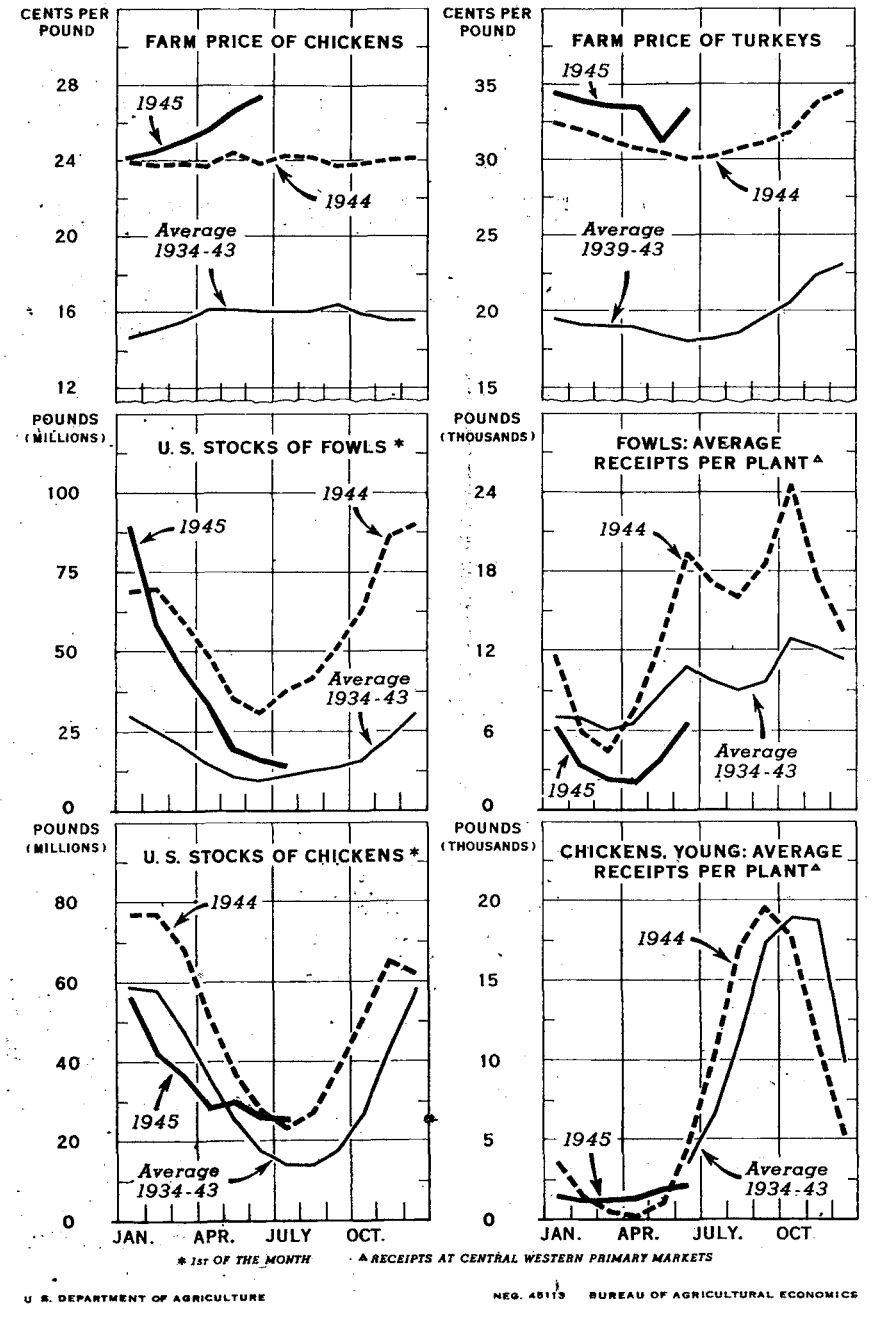


FIGURE 2

EGGS: REGIONAL DEVELOPMENTS AND OUTLOOK

BACKGROUND: Periods of shortages focus attention on local problems. This brief survey is presented to indicate past trends and possible future developments in the production of eggs by regions.

Egg Production in 1944 in West North Central States Almost Double Pre-war

Farm egg production during the war has made unusual gains. In 1944, United States farm egg production, totaling 4.8 billion dozen, was 59 percent above the 1935-39 average. About one-fifth of the increase was due to the heavier rate of lay, and the rest was a result of an increased number of hens.

Changes were even more striking on a regional basis. In the West North Central States, production in 1944 was almost double pre-war. The North Atlantic and South Central States also showed remarkable gains, of 50 to 65 percent over pre-war production. Output in the Western and South Atlantic States, however, increased only about 40 percent.

Regional egg production has not followed the regional changes in human population in recent years. During 1944, farm egg output in the West North Central States, per capita, was more than double the pre-war average. The North Atlantic States, on a per capita basis, showed increases of about 50 percent over pre-war, while the South Atlantic and East North Central States changed much less. Per capita production in the Western States in 1944 was below pre-war. There has been a slight downward trend in per capita egg production in the West since 1930, in part due to increasing industrialization, accompanied by net immigration into that region.

Table 1.-Per capita farm egg production, U. S. and by regions, 1930-44
(Data for cover chart)

Year	North Atlantic	East North Central	West North Central	South Atlantic	South Central	Western	United States
1930	141	329	836	208	289	423	317
1931	136	331	796	201	283	425	311
1932	136	316	700	199	280	372	291
1933	137	308	700	190	266	340	282
1934	138	304	656	179	245	345	262
1935	140	302	609	176	242	318	264
1936	147	308	595	182	250	340	270
1937	164	329	649	195	273	354	292
1938	159	315	680	191	283	318	288
1939	167	322	749	189	285	301	297
1940	173	322	771	192	277	307	300
1941	179	334	837	186	292	303	312
1942	199	368	1,051	205	344	318	357
1943	223	408	1,223	219	390	319	395
1944	235	429	1,308	225	409	335	416
1945 1/	210	403	1,261	212	373	294	387

1/ Tentative indication as of July 1

Egg Supplies for Remainder of 1945 to be Shortest in Coastal Regions

For the rest of 1945, United States farm egg production will be moderately below 1944. Over-all demand at prevailing prices will exceed supplies. The situation will become increasingly tight until December, when supplies will begin to increase seasonally.

Regionally, supplies this fall will be shortest in the New England and Western States. With a generally tight situation, supplies will tend to stay close to the source of production. The Midwest is the main surplus-producing area. The New England States ordinarily ship in about one-third of the eggs required for consumption. Shipments into the Western States in recent years are equivalent to about one-sixth of consumption.

Cold storage holdings of shell eggs in the North Atlantic States on July 1, totaling 1.5 million cases, were about half of last year's holdings, and about three-fourths of the 1937-41 average holdings on July 1. Production in the North Atlantic States has been running about 9 percent below last year. Cold storage holdings in the Western States were slightly above pre-war on July 1, but productio is much lower than last year. From January through June, farm egg output in the Western States was 12 percent below last year. The average number of layers during June was 15 percent below last year. Production in that area for the remainder of the year will be significantly less than last year.

Meat supplies appear to be shorter in both coastal regions than in other areas. Demand for eggs probably is relatively stronger in both areas than in the Midwest.

Laying Flocks next January to be Larger Than in Previous Year in North Central and North Atlantic Regions

The total number of chicks and young chickens on farms July 1, 1945 was 356 million birds, 11 percent above last year. Based on past relationships, the number of hens and pullets on farms January 1, 1946 will be 2 to 6 percent larger than on January 1, 1945. This would result in a somewhat larger egg production in 1946 than in 1945 if the high rate of lay prevailing in 1945 continues.

Regionally, the number of young chickens on farms July 1 showed the largest percentage increases, compared with last year, in the North Atlantic and North Central areas. In the Western and South Atlantic regions, the number of young chickens on hand July 1 was only 6 percent above last year. In the South Central States, the number was 9 percent above last year. In the North Atlantic and North Central areas, there were 13 percent more young chickens. Laying flocks on the first of next year probably will show somewhat greater increases over this year in the North Atlantic and North Central States than in other regions.

Table 2.- Chicks and young chickens on farms July 1, 1945 as a percentage of July 1, 1944 by regions

North Atlantic	East North Central	West North Central	South Atlantic	South Central	Western	United States
Percent	Percent	Percent	Percent	Percent	Percent	Percent
113	113	112	106	109	106	111

Demand for eggs in 1946 will probably remain unusually strong, at least for the first part of the year. During the latter part of 1946, demand for eggs may weaken somewhat, and prices may decline from the high levels of 1945.

Post-war regional prospects

In the post-war period, when supplies of meat become abundant and military and export demand for eggs declines, regional adjustments in egg output probably will occur. In that period, egg consumption will probably decline to somewhere between the pre-war average of 298 eggs per person and the 1944 average consumption of 351 eggs per person.

From 1942 through 1944, about 20 percent of the eggs produced on farms were used for dehydrating. This year, only 6 to 8 percent of the eggs produced will be so utilized. The end of the war will probably be followed by substantial reductions in shipments of dried eggs for lend-lease and in military procurement of dried eggs. This will mean that new outlets will have to be found for eggs or that some downward adjustments in egg production will take place.

Approximately 25 to 35 percent of the egg production in the West North Central region in 1942-44 went into dehydrating operations. Approximately one-fifth of the production in the East North Central and South Central States was used for that purpose. Hence, any reduction in the demand for dried eggs would result in sizeable adjustments in the North Central and South Central regions. The Western and Atlantic areas would be affected through increased pressure of supplies shipped in from the surplus regions.

Any burdensome supply which might develop in the Central regions would result in increased competition to North Atlantic producers. In the Western States, there have been large increases in population during the war, and prospects are reasonably good for maintaining the present level of egg production. In the South Atlantic States, there has been very little expansion in egg production during the war, on a per capita basis.

Table 3.- Production of eggs, by regions, 1925-1945

Year	N. Atl.	E. N. Cent.	W. N. Cent.	S. Atl.	S. Cent.	West.	U. S.
	Million	Million	Million	Million	Million	Million	Million
1925	4,504	7,898	9,794	3,238	5,863	3,672	34,969
1926	4,545	8,306	10,446	3,345	6,486	4,120	37,248
1927	4,634	8,416	10,566	3,606	7,080	4,325	38,627
1928	4,657	8,230	10,595	3,525	6,882	4,770	38,659
1929	4,687	8,058	10,509	3,256	6,556	4,855	37,921
1930	4,864	8,325	11,154	3,286	6,366	5,052	39,667
1931	4,752	8,428	10,708	3,205	6,289	5,150	38,532
1932	4,768	8,058	9,456	3,197	6,275	4,544	36,298
1933	4,837	7,890	9,495	3,102	5,999	4,191	35,514
1934	4,876	7,820	8,914	2,935	5,575	4,309	34,429
1935	4,999	7,805	8,295	2,918	5,563	4,029	33,609
1936	5,250	7,989	8,087	3,039	5,765	4,404	34,534
1937	5,879	8,575	8,792	3,302	6,321	4,695	37,564
1938	5,714	8,274	9,177	3,290	6,619	4,282	37,356
1939	6,025	8,514	10,118	3,326	6,746	4,114	38,843
1940	6,229	8,593	10,415	3,443	6,618	4,287	39,585
1941	6,477	9,059	11,273	3,460	7,131	4,365	41,765
1942	7,145	10,093	13,904	3,938	8,474	4,777	48,331
1943	7,829	11,042	16,016	4,328	9,750	5,283	54,248
1944	8,461	11,863	17,065	4,559	10,178	5,748	57,874
1945 1/	7,640	11,258	16,621	4,349	9,374	5,070	54,312

1/ Preliminary indication.

Table 4.- Hens and pullets: Number on farms January 1, by regions, 1925-1945

Year	N. Atl.	E. N. Cent.	W. N. Cent.	S. Atl.	S. Cent.	West.	U. S.
	Million	Million	Million	Million	Million	Million	Million
1925	42	87	117	39	74	33	391
1926	42	87	118	38	75	34	394
1927	42	90	122	40	83	38	415
1928	43	89	122	43	88	43	427
1929	41	83	119	39	81	41	404
1930	43	86	126	39	83	43	420
1931	41	84	119	37	78	43	402
1932	41	82	112	37	76	39	386
1933	42	83	112	38	80	36	391
1934	42	85	112	35	75	36	385
1935	41	77	96	34	69	33	350
1936	42	81	98	35	71	35	363
1937	47	84	98	37	77	37	380
1938	43	76	91	35	73	35	353
1939	46	78	103	37	78	34	376
1940	49	80	108	38	81	36	393
1941	47	79	107	37	77	35	381
1942	51	85	122	41	89	38	426
1943	58	94	145	45	104	41	488
1944	62	100	153	50	110	44	519
1945 1/	59	91	139	45	97	38	469

1/ Preliminary.

Table 5.- Annual rate of lay per hen and pullet on farms January 1, by regions, 1925-1945

Year	N. Atl.	E. N. Cent.	W. N. Cent.	S. Atl.	S. Cent.	West.	U. S.
	Number	Number	Number	Number	Number	Number	Number
1925	108	91	84	84	79	113	90
1926	109	95	88	88	87	121	95
1927	110	94	87	90	85	115	93
1928	108	93	87	83	78	111	91
1929	114	97	88	85	81	118	94
1930	112	97	88	84	77	117	93
1931	117	100	90	87	81	119	96
1932	117	98	85	87	82	118	94
1933	116	95	85	83	75	116	91
1934	116	92	79	84	75	118	89
1935	123	101	87	85	80	121	96
1936	124	98	83	87	81	126	95
1937	125	103	90	89	82	127	99
1938	132	109	101	95	90	123	106
1939	130	109	98	91	86	123	103
1940	127	107	96	92	82	119	101
1941	137	115	106	94	93	125	110
1942	141	119	113	97	95	126	113
1943	135	117	110	96	94	128	111
1944	136	119	112	92	93	131	112
1945 1/	129	124	120	97	97	133	116

1/ Preliminary indication.

Table 6.- Production of eggs by regions 1925-44
(Index numbers: 1935-39 = 100)

Year	N. Atl.	E. N. Cent.	W. N. Cent.	S. Atl.	S. Cent.	West	U. S.
1925	81	96	110	102	95	85	96
1926	82	101	117	105	105	96	102
1927	83	102	119	114	114	100	106
1928	84	100	119	111	111	111	106
1929	84	98	118	103	106	113	104
1930	87	101	125	103	103	117	107
1931	85	102	120	101	101	120	106
1932	86	98	106	101	101	106	100
1933	87	96	107	98	97	97	98
1934	87	95	100	92	90	100	95
1935	90	95	93	92	90	94	92
1936	94	97	91	96	93	102	95
1937	105	104	99	104	102	109	103
1938	103	101	103	104	107	99	103
1939	108	103	114	105	109	96	107
1940	112	104	117	108	107	100	109
1941	116	110	127	109	115	101	115
1942	128	123	156	124	137	111	133
1943	140	134	180	136	157	123	149
1944	152	144	192	144	164	134	159

Table 7.- Hens and pullets on farms Jan. 1, by regions 1925-45
(Index numbers: 1935-39 = 100)

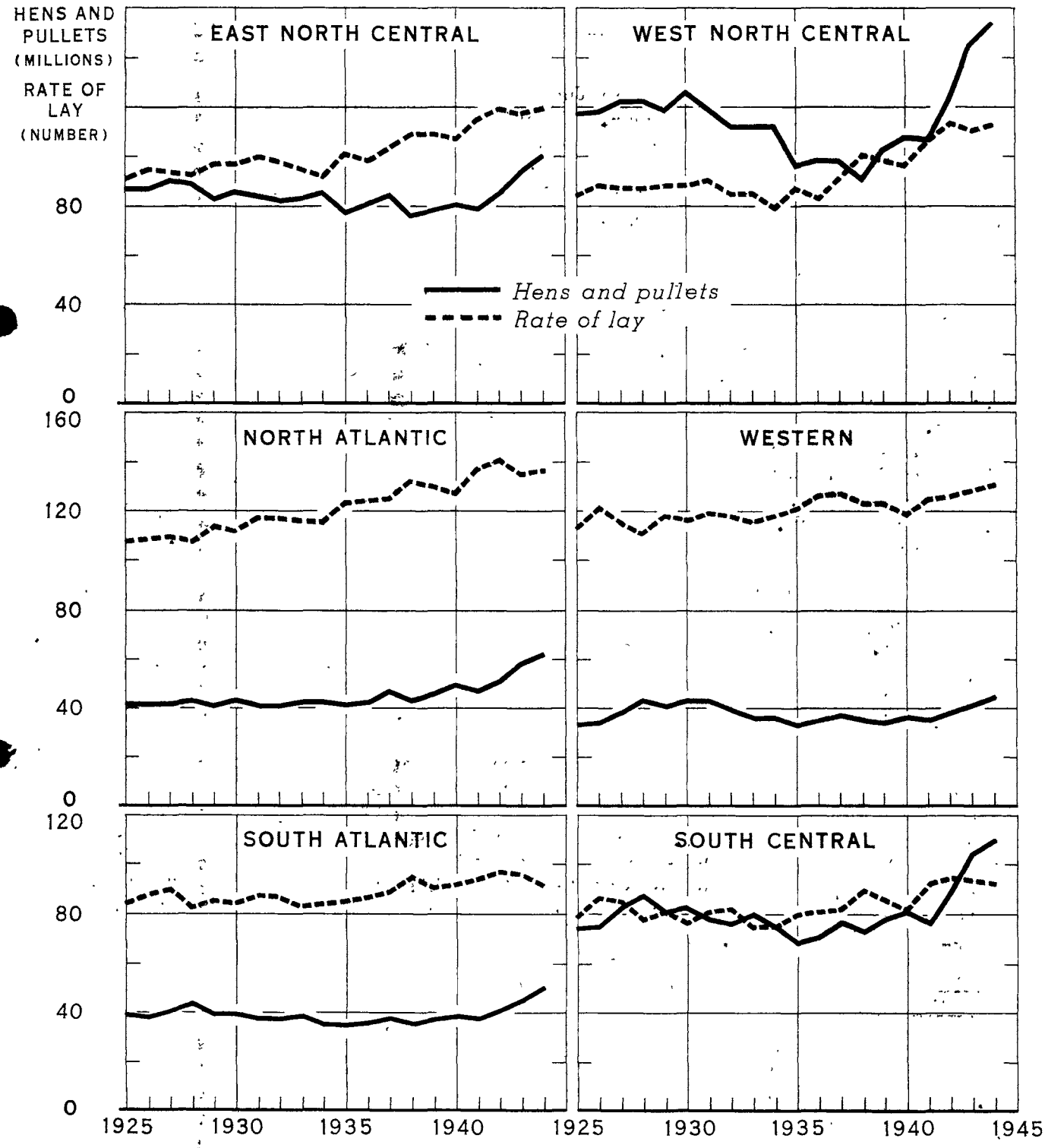
Year	N. Atl.	E. N. Cent.	W. N. Cent.	S. Atl.	S. Cent.	West	U. S.
1925	95	110	121	108	100	94	107
1926	95	110	122	106	101	97	108
1927	95	114	126	111	112	109	114
1928	98	113	126	119	119	123	117
1929	93	105	123	108	109	117	111
1930	98	109	130	108	112	123	115
1931	93	106	123	103	105	123	110
1932	93	104	115	103	103	111	106
1933	95	105	115	106	108	103	107
1934	95	108	115	97	101	103	106
1935	93	97	99	94	93	94	96
1936	95	103	101	97	96	100	100
1937	107	106	101	103	104	106	104
1938	98	96	94	97	99	100	97
1939	105	99	106	103	105	97	103
1940	111	101	111	106	109	103	108
1941	107	100	110	103	104	100	105
1942	116	108	126	114	120	109	117
1943	132	119	149	125	141	117	134
1944	141	127	158	139	149	126	143
1945 1/	134	115	143	125	131	109	129

1/ Preliminary.

Table 8.- Annual rate of lay per hen and pullet on farms, Jan. 1, by regions, 1925-44
(Index numbers: 1935-39 = 100)

Year	N. Atl.	E. N. Cent.	W. N. Cent.	S. Atl.	S. Cent.	West	U. S.
1925	85	88	91	94	94	91	90
1926	86	91	96	99	104	98	95
1927	87	90	95	101	101	93	93
1928	85	89	95	93	93	90	91
1929	90	93	96	96	96	95	94
1930	88	93	96	94	92	94	93
1931	92	96	98	98	96	96	96
1932	92	94	92	98	98	95	94
1933	91	91	92	93	89	94	91
1934	91	88	86	94	89	95	89
1935	97	97	95	96	95	98	96
1936	98	94	90	98	96	102	95
1937	98	99	98	100	98	102	99
1938	104	105	110	107	107	99	106
1939	102	105	107	102	102	99	103
1940	100	103	104	103	98	96	101
1941	108	111	115	106	111	101	110
1942	111	114	123	109	113	102	113
1943	106	112	120	108	112	103	111
1944	107	114	122	103	111	106	112

HENS AND PULLETS ON FARMS JANUARY 1, AND ANNUAL RATE OF LAY, BY REGIONS, 1925-45



U. S. DEPARTMENT OF AGRICULTURE NEG. 45408 BUREAU OF AGRICULTURAL ECONOMICS

Recent Developments

Commercial Hatchery operations during June
More than Double Last Year

The number of chicks hatched in June by commercial hatcheries was 182 million, 107 million above last year. Hatching operations during the month might have been greater, had there been an adequate supply of hatching eggs. On a regional basis, hatching operations were especially large compared with last year in the West North Central States for flock replacement purposes. Percentage increases by regions were as follows:

West North Central	241	Middle Atlantic	125
Western	138	New England	121
East North Central	131	South Atlantic	92

From January through June, commercial hatcheries produced 1.3 billion chicks, 15 percent above last year, and exceeded only in 1943 when output was 55 million more. Hatchery operations for flock replacement purposes got off to a late start this year. Farmers usually make their plans for purchasing baby chicks early in the spring. Such plans are largely dependent upon the profitability of the previous year's operations. Low prices in 1944 were discouraging factors to any expansion in 1945. On March 1, farmers intended to purchase 4 percent fewer chicks than in 1944. Prior to March, the demand outlook for eggs in 1945 was uncertain. However, the intentions were modified by developments during the hatching season.

With the demand situation changing rapidly during the early part of 1945, farmers quickly changed their plans as to the raising of chicks for flock replacement purposes. Accordingly, demand for baby chicks became very strong after March, and commercial hatchery operations were stepped up sharply. In February, commercial hatchery operations were 14 percent below 1944 but by June this was sharply reversed, and June output was 146 percent above 1944.

Demand for baby chicks will remain strong for the next few months. Commercial hatchery operations carried on after June are primarily for meat purposes. Such operations are carried on to a large extent in and around areas surrounding commercial broiler production. With the prevailing demand for chicken meat, broiler production during the next few months will be far ahead of last year and at record levels. Hence, output of baby chicks this summer will be very high, especially in the Middle Atlantic States and other areas close to commercial broiler-producing centers.

Feed Prospects Not So Favorable
as Last Year

Indications as of July 1 are that supplies of important feed grains will not be as large in 1945-46 as in 1944-45, primarily because of a smaller corn crop. The first official estimate indicates a corn crop of 2.7 billion bushels, about 500 million bushels below that of 1944. Part of the decrease may be offset by a larger carry-over. Prospects indicate larger supplies of oats and smaller supplies of barley than a year ago.

The total number of grain consuming animal units on farms on January 1, 1946 may not be greatly different from the number on January 1, 1945. Supplies of feed grains on a grain consuming animal unit basis may not be quite so large as in the 1944-45 feeding year. However, the carry-over of feed grains can

be reduced somewhat, and more wheat is likely to be fed than in the 1944-45 season. Shorter supplies of the important feed grains will limit commercial broiler output. Evidently during 1945 the rate of feeding per layer has been at a high level as indicated by the record rate of lay.

Frozen Egg Stocks Reach Peak Early in July

Stocks of shell and frozen eggs on July 1 totaled 13 million cases, shell-egg equivalent, 7.7 million cases below last year. Of this quantity, approximately 2 million cases were Government owned. Shell egg storage holdings amounted to 6.1 million cases, of which 1.4 million cases were Government owned. The 4.7 million cases owned by the trade on July 1 were the lowest for that date. Frozen egg stocks of 261 million pounds on July 1 were ahead of any year prior to 1942. Reflecting the strong current demand for shell eggs, the into-storage movement of shell and frozen eggs during June was far below that of any recent year.

Based on weekly reports for the 35 markets, both shell and frozen egg holdings reached a seasonal peak early in July. This is the earliest that frozen egg holdings have been at their peak. This early peak reflects the continued strong demand for shell eggs which has limited the supplies available for breaking operations since the first part of July. Also, there is little need for frozen egg supplies for later dehydrating. During the past three years, 90 to 150 million pounds of frozen eggs were used annually in dried-egg production. This year, probably less than 40 million pounds will be so utilized.

Shell egg holdings, however, have been reaching a peak early in July for the past three years. Prior to that time, the usual peak was during the first or second week in August. The change in seasonal peak holdings of shell eggs is due in part to the changing seasonal pattern in egg production.

Table 9.-Eggs: Storage stocks in the United States and net storage movement at 35 markets, selected dates

Year	United States stocks 1/		Net storage movement in 35 markets (week ended as of 1945)			
	June 1	July 1	July 7	July 14	July 21	July 28
	1000 cases	1000 cases	1000 cases	1000 cases	1000 cases	1000 cases
Shell						
Ave. 1937-41	5,927	7,144	67	42	24	31
1944	9,632	11,335	- 60	- 83	- 79	- 176
1945	5,432	6,125	31	19	- 29	
Frozen						
Ave. 1937-41	3,455	4,127	61	59	20	0
1944	7,799	9,446	154	206	167	89
1945	6,185	6,948	23	- 41	- 8	
Dried						
1944	7,718	8,128				
1945	5,734	4,104				

1/ Government holdings included in 1944 and 1945. Frozen and dried eggs converted to shell-egg equivalent on basis of 37.5 pounds of frozen egg and 10 pounds of dried egg to the case.

Egg Prices Increase Contraseasonally

Normally egg prices received by farmers reach a low point in March and remain about unchanged through June. This year, however, with the strong demand which developed during the past few weeks, prices increased contraseasonally in June. The average price received by farmers for eggs in mid-June was 35.8 cents per dozen, 2.1 cents above mid-May and 7.7 cents above June 15, 1944. The average price received by farmers for eggs on June 15 this year was the highest ever reported for that date.

Feed prices in June were about unchanged from the previous month, but were about 10 cents per hundred pounds below last year. The egg-feed price ratio continued very favorable for egg production. At 12.4, the price ratio was 17 percent above the 1934-43 average for June.

Egg Production Below Last Year;
Supplies in Terminal Markets About the Same

Egg production during June of 441 million dozen was 3 percent below June 1944, but 30 percent above the 1934-43 average for June. The average number of layers on farms was 7 percent less than last year, but a record rate of lay partly offset this reduction. The average number of eggs produced per layer during June was 15.6 eggs, compared with 15.0 eggs in June 1944.

Thus far this year, egg production has averaged 6 percent below 1944. On January 1, 1945 the number of hens and pullets on farms was 9 percent less than the previous year, but the record rate of lay has kept egg production at comparatively high levels. For the first half of 1945, the rate of lay per average layer was 89 eggs, compared with 87 eggs during 1944, and 1935-39 average for that period of 78 eggs. Better feeds, further improvement in the types of birds, and favorable weather have been largely responsible for the high rate of lay.

Supplies of eggs in the large terminal markets were not much different during June and early July from the previous year. Receipts at the four principal markets for the 4 weeks ended July 14 totaled 1,114,000 cases, compared with 1,037,000 cases in the same period of 1944. Because of large army procurement in the markets, strict comparability as to supplies available for civilians does not exist.

Receipts at other primary markets in June and early July were far below last year. At midwest primary markets receipts were lagging about 15 percent behind, partly because of the large reduction in egg processing. Eastern egg auction receipts were 50 percent less than a year earlier and the western markets were 35 percent behind. Because of strong local demands, decreases in the coastal regions are due chiefly to the fact that many eggs are not following usual market channels.

Farm Prices of Poultry at All-time
High for June

The average price received by farmers for chickens in mid-June was 27.5 cents per pound, an increase of 0.9 cent from mid-May. Except for the prices received by farmers in April, May, and July of 1919, this is the highest price ever received by farmers for chickens. The increase from May to June was in

contrast to the decline which took place in OPA basic ceiling prices. The seasonal base price in the maximum price regulation indicates a decline of 1.2 cents per pound in wholesale ceiling prices.

From January through June, the average farm price of chickens increased 3.3 cents per pound. Usually little or no change occurs during that period. On a regional basis, the changes were more striking. In the Middle Atlantic States, the increase from January 15 to June 15 was 5.2 cents per pound. In the West North Central States, an increase of only 2.5 cents per pound occurred in the same period. Evidently above-ceiling sales in the Middle Atlantic States were being reflected in the farm price. Increases from January to June in other regions were as follows: South Atlantic, 4.6 cents; East North Central, 2.9 cents; and Western, 4.3 cents.

Supplies of poultry meat passing through usual channels are far below last year. Receipts of dressed poultry in the four markets during June were only about half of those during June 1944. Receipts in the midwestern primary markets were showing larger declines, about 60 percent below last year.

Marketings of poultry will increase seasonally from now through December. Total marketings of chicken meat, including commercial broilers, probably will be somewhat larger during the second half of 1945 than the second half of 1944. Some decreases from last year in marketings of farm chickens may take place, but this will be more than offset by the large increases in broiler production. Indications are that broiler production at present is at least 20 percent above last year. During the summer of 1944, broiler production declined sharply, because of poor returns. At that time, the Army stepped out of the market for a few months, and broiler prices declined. However, there apparently is little letup in the demand for broilers at present, so that increases over last year probably will continue.

OPA Issues Revisions of Poultry Price Ceiling Regulations

The second revision to the MPR 269 was issued June 27, effective July 1. Major changes from the previous price-ceiling regulation were as follows: (1) Ceiling prices on chickens and turkeys are set up on a zone basis instead of on the basis of a basing point plus transportation charges. (2) The base price on young chickens was raised on the average 1 1/4 cents, in line with a directive issued at the end of March by the Office of Economic Stabilization. (3) Overriding ceiling prices were set on guineas in order to halt the upward spiraling of guinea prices.