

THE *Poultry and Egg* SITUATION

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SUMMARY

Farmers probably will start 1948 with somewhat fewer layers on hand than on January 1, 1947 when the laying flock totaled 437 million -- consisting of 286 million pullets and 151 million hens. Although the number of hens for 1948 may be about the same or even larger than last year, the number of pullets may be less. About 5 percent fewer chickens are being raised this year than last.

In the second half of 1947, egg production probably will be moderately below the last half of 1946. Stocks on July 1 will be significantly less than July 1, 1946. Supplies per person will be about 10 percent under the second half of 1946 and about 20 percent below those of the first six months of this year. Consumption the first four months of 1947 was about 140 eggs per person, higher than any comparable period except possibly 1945.

Egg prices will average higher for the remainder of 1947 than for the same period of 1946. Prices received by farmers in mid-April averaged 40.8 cents per dozen, 9.5 cents above April 15, 1946 and a record for the month. In most years, egg prices in November and December are about 35 to 40 percent higher than in May and June. If there is a downturn in business activity, they will not increase that much this year.

Marketings of chickens and turkeys will increase seasonally, but will be substantially smaller than last year. Prices of chickens may decline from present levels, but turkey prices are not likely to change much. Civilian supplies of turkey during the holiday season will be at least 15 percent below last year's record.

Cash receipts of poultry producers in 1946 were 2.65 billion dollars, 4 percent below the 1945 record. Average prices for each of the poultry products in 1946 were at or near new highs. However, the volume of chickens, eggs, and broilers marketed in 1946 was below 1945; pounds of turkeys sold were above. Cash receipts from poultry products in 1947 are likely to be somewhat below 1946, largely due to a smaller volume of sales of poultry products.

The Poultry and Egg Situation at a Glance

Item	Unit	Month	Average 1936-45	1946	1947	Comments
Eggs						
Farm production	Mil. doz.	April	472.0	566.9	527.3	
Average number of layers on farms	Million	"	352.6	380.6	358.7	Culling rate during April above last year.
Rate of lay per hen	Number	"	17.0	17.9	17.6	
Apparent civilian per capita disappearance	"	March	32.7	37.6	40.0	First quarter disappearance exceeds any other first quarter.
Frozen egg production	Mil. lb.	April	---	78.9	53.2	Purchases by the U.S.D.A. during May were increasing.
Dried egg production	" "	"	---	19.7	11.0	
Prices received by farmers	Ct. per doz.	"	22.2	31.3	40.8	A record high for April.
Prices received by farmers as a percentage of parity	Percent	"	88	96	97	
Retail price (B.A.E.)	Cts. per doz.	March	31.7	43.4	56.0	
Egg-feed ratio	Lb. feed	April	10.4	10.1	10.4	
Stocks: 1/						
Shell	1,000 cases	"	4,194	6,425	1,741	Lowest for any May 1.
Frozen	" "	"	3,218	5,338	4,127	
Dried	Mil. lb.	"	---	13.4	36.2	
Chicks hatched	Million	"	261.7	343.7	310.7	Eggs in incubators on May 1 were 3 percent above last year.
Chicks and young chickens on farms May 1 1/	"	"	392.2	462.6	437.0	
Poultry						
Prices received by farmers for chickens	Ct. per lb.	April	18.4	24.3	27.7	Exceeded any other April.
Prices received by farmers as a percentage of parity	Percent	"	113	103	106	
Retail price of chickens (B.A.E.)	Ct. per lb.	March	34.0	42.9	50.7	
Prices received by farmers for turkeys	" " "	April	20.7	30.1	30.0	
Stocks: 1/						
Poultry, excluding turkeys	Mil. lb.	"	57.6	149.9	113.6	
Turkeys	" "	"	26.3	106.9	94.1	Consumption during first half at a record.
Chicken-feed ratio	Lb. feed	"	8.7	7.8	7.1	
Turkey-feed ratio	" "	"	9.7	9.7	7.7	Output of poultts running 20 to 25 percent below last year.
Receipts of poultry at Central Western Primary Markets, per plant	1,000 lb.	"	7.0	6.1	5.5	

1/ End of month.

Outlook

Layers on Farms January 1, 1948 May Be Somewhat Fewer Than January 1, 1947

The farm laying flock on January 1, 1948 is expected to be somewhat smaller than on January 1, 1947, largely because of a prospective reduction in replacement stock. Indications are that the number of pullets in farm flocks will be 10 to 25 million less but the number of hens may be about the same or even slightly greater. On January 1, 1947, the U. S. laying flock totaled 437 million head-286 million pullets and 151 million hens.

Approximately 700 million chickens will be raised in 1947, about 5 percent less than in 1946. On May 1 there were 437 million chicks and young chickens on farms, 6 percent less than May 1, 1946. While this in itself, is not an accurate indication of the number of chickens to be raised, other factors also point to a smaller number: (1) Chicks hatched during April were 10 percent below April 1946. (2) Three percent more eggs were in incubators on May 1 than a year earlier, indicating little change in the May hatch; (3) Because of recent declines in egg prices, the hatch during June and July is not likely to be large enough to offset the decrease which already has occurred, although the late hatch may be larger than in 1946.

For each of the past 10 years, except 1943, about 36 to 39 percent of the chickens raised during the year were in farm flocks on the following January 1. If about 700 million chickens are raised this year and 39 percent are kept, at least 10 million fewer pullets will be on farms next January 1 than on January 1, 1947.

Table 1.-Chickens raised, pullets on farms December 31, 1931 - 47

Year	Chickens raised	Pullets on farms Dec. 31	Percentage of chickens raised	Year	Chickens raised	Pullets on farms Dec. 31	Percentage of chickens raised
	Million	Million	Percent		Million	Million	Percent
1931	709	230	32.4	1940	634	240	37.8
1932	736	237	32.2	1941	745	278	37.4
1933	750	238	31.8	1942	844	319	37.6
1934	644	212	33.0	1943	1,001	350	34.8
1935	658	226	34.2	1944	832	302	36.4
1936	715	249	34.8	1945	915	325	35.6
1937	601	215	35.7	1946	740	286	38.6
1938	651	242	37.2	1947	1/about 700	260-275	
1939	697	254	36.5				

1/ Forecast.

The number of old hens which are carried over into the following year is determined by the number already on farms and the culling rate which takes place. In the past three years, only about 40 percent of the average number of layers on farms during April has been on farms the following January 1, compared with 44 to 50 percent prior to 1944. The culling of layers from flocks for the remainder of the year probably will be less than last year reflecting a more favorable egg-feed price ratio. Since there were about 6 percent less layers on farms this April, the number of hens which will be carried over into next year is not likely to be greatly different from last year.

Table 2.- Average number layers on farms during April, and hens on farms as of December 31, 1931-47

	Average number of layers on farms during April	Hens on farms Dec. 31	Hens on farms Dec. 31 as a percentage of April average	Year	Average number of layers on farms during April	Hens on farms Dec. 31	Hens on farms Dec. 31 as percentage of April average
	Million	Million	Percent		Million	Million	Percent
1931	313	156	50	1940	309	141	46
1932	307	154	50	1941	301	150	50
1933	313	147	47	1942	344	170	49
1934	309	139	45	1943	395	174	44
1935	284	136	48	1944	421	172	41
1936	293	130	44	1945	381	150	39
1937	305	138	45	1946	381	151	40
1938	280	134	48	1947	358	1/150-160	
1939	296	139	47				

1/ Forecast.

Near Record Egg Consumption to Decline

Per capita egg consumption during the first four months of 1947 was near 140, higher than in any comparable period except possibly 1945. In the first six months of 1947, egg consumption per person will be about 205, almost equal to the 1945 record high. A favorable relationship between retail egg prices and red meat prices partly accounted for this high level. A pound of red meat at retail during the first quarter of this year bought at least one-third more eggs than last year. Other factors which affected consumption are the high level of consumer incomes and the shortages of durable goods. As a result, consumers spent a larger than usual proportion of their incomes for food.

Total egg production, farm plus nonfarm, will approximate 99 million cases, 5 percent below last year. The combined net into-storage movement from January 1 to July 1 of shell and frozen eggs probably will be equivalent to about 7 million cases. On May 1, holdings of shell eggs were 1.7 million cases, one-fourth of last year's large holdings and the smallest on record. Frozen egg holdings on May 1, 1947 were 155 million pounds (equivalent to 4.1 million cases), 45 million pounds below May 1, 1946.

The purchase price for dried eggs for May delivery is \$1.26 per pound f.o.b. plant compared with \$1.20 for the previous three months. Purchase price for frozen eggs for May delivery was 32.5 cents to 32.75 cents per pound f.o.b. plant, 1.5 cent more than the previous 3 months.

Egg Prices at All-Time High for April

In mid-April the average price received by farmers for eggs was 40.8 cents per dozen, 9.5 cents above the previous April and higher than in any corresponding month on record. Since mid-April, wholesale prices have declined about 7 percent.

Demand for eggs for the remainder of the year is not expected to be as strong as in recent months because consumer purchasing power may decline. Meat supplies may be larger at seasonally lower prices.

Although consumer incomes have been rising in recent months, prices have been increasing even more. The purchasing power of the consumer dollar in March 1947 was about 15 percent less than a year earlier.

Meat supplies per person during the remainder of 1947 are expected to be greater than in the same period of 1946. Prices of meat in general are somewhat higher than they usually are in relation to such factors as consumer spending power, meat production and exports. Some seasonal decline in meat prices probably will occur this fall. If general business activity declines, meat animal prices are likely to drop considerably. This would tend to bring about decreases in the prices of eggs and other poultry products.

Farm Sales of Chickens to be Smaller Than in 1946

Fewer chickens probably will be sold from farms during the remainder of 1947 than in the same period of 1946. This will result from a decline in the number of chickens raised and no significant change in inventory numbers. Last year, the number of chickens (excluding broilers) on farms declined 10 percent, with most of the decline occurring during the summer and fall. This is not expected to occur in 1947.

On May 1, the number of chicks and young chickens on farms was 6 percent below last year. Commercial hatchery output had decreased 5 percent. This indicates that broiler output for the first 4 months of this year is running about equal to last year.

Because of the smaller carry-over in cold storage, supplies of chicken meat for the remainder of 1947 will be smaller than the rate of slaughter would indicate. Cold-storage holdings of chickens on May 1 totaled 110 million pounds, 37 million pounds below May 1, 1946, but higher than on any May 1 before 1942.

Since supplies of chicken and red meats will increase seasonally, moderate declines in chicken prices are in prospect. In mid-April, the average price received by farmers for chicken was 27.7 cents, higher than in any previous April.

Feed Supplies Ample Until New Crops

Combined stocks of corn, oats, and barley on April 1 were 16 percent larger than a year earlier but about average for other recent years. On the basis of livestock numbers on January 1, however, stocks per grain consuming animal unit were 25 percent ahead of last year and about 10 percent above average.

The supply of feed grains will be a little smaller in 1947-48 than in 1946-47 if farmers carry out their March 1 planting intentions, and yields are about average for recent years. On March 1, farmers intended to plant moderately less corn, substantially less sorghum and about the same quantity of oats and barley as in 1946. On the basis of their March 1 intentions, the production of the four feed grains in 1947 would be 8 percent smaller than the 1946 record.

Prices of feed grains advanced sharply during February and most of March and then declined moderately during April. The course of feed prices during the next several months will be determined largely by prospects for the new crops. If growing conditions are average or better, feed prices probably will decline at least seasonally in the latter part of 1947.

Turkeys: Apparent Civilian Disappearance 1941-46
and Outlook for 1947

Turkey production in 1947 will be at least 15 percent below 1946. In the first four months of 1947 the output of poultts was about 20-25 percent below last year. Because supplies for this fall and winter will be much smaller, turkey prices are not expected to change much from present levels, even if there is a decline in business activity. The U. S. Department of Agriculture already has announced a turkey price support program for 1947. The support price will be based on September 15 parity and will cover the 1947 marketing season - October 1947 through January 1948. Differentials between light, medium and heavy birds have been announced.

Sufficient information is now available to estimate civilian disappearance of turkeys by half years from 1941 through 1946. It appears that consumption during the first half of 1947 will exceed 100 million pounds, more than half of this coming out of cold storage. Stocks on May 1, 1947 were 94 million pounds 45 million pounds below the February peak and 13 million pounds below last year.

If the number of turkeys raised is 15 percent below 1946, supplies for the second half of 1947 will be around 80 to 100 million pounds less than last year. Year end stocks are expected to be substantially below 1946.

Table 5.- Turkeys: Apparent civilian disappearance by half-years 1941-46 and forecast for 1947 (dressed weight)

Year	Jan.-June	July-Dec.	Total
	Mil. lb.	Mil. lb.	Mil. lb.
1941	67	402	469
1942	66	418	484
1943	64	366	430
1944	32	394	426
1945	77	478	555
1946	92	540	632
1947 ^{1/}	110	440-460	-

^{1/} Forecast.

Cash Receipts from Poultry Products in 1946
Again Exceed 2-1/2 Billion Dollars

Cash receipts from marketings of poultry products in 1946 totaled 2.65 billion dollars, 4 percent below the previous record of 1945. Sales of all poultry products were below last year, but prices averaged as high for eggs and higher for broilers, chickens, and turkeys.

The number of turkeys raised in 1946 was 8 percent below 1945. Marketings were about as large, however, because the inventory was reduced about 2 million head. Commercial broiler production was 10 percent less, but prices averaged 10 percent greater. Sales of eggs from farms were 1 percent less than in the 1945 and prices were about the same. Marketings of chickens declined 15 percent from 1945, while prices increased about 7 percent.

Cash receipts from poultry products for 1947 again are likely to exceed 2-1/2 billion dollars. Sales of eggs may be about 5 percent less than in 1946, but the increase in prices will more than offset this reduction in quantities sold. The number of farm chickens sold probably will be moderately less and prices also may be lower. Income from broilers may show little change. Marketings of turkeys, however, will be substantially smaller at lower prices. Total cash receipts from poultry products for the first five months of 1947 were about 15 percent higher than the previous year. All of the gain was due to substantially higher prices for eggs and duckens.

Table 6.-Poultry products: Cash farm income, sales, and prices received by farmers, 1939-46

Year	Cash farm income				Sales				Price			
	Eggs	Chick-ens	Tur-keys	Broil-ers	Eggs	Chick-ens	Tur-keys	Broil-ers	Eggs per doz.	Chick-ens per lb.	Tur-keys per lb.	Broil-ers per lb.
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. cases	Mil.	Mil.	Mil.	Cents	Cents	Cents	Cents
1939	437.4	198.6	70.7	52.1	83.6	376.6	29.8	105.6	20.3	13.5	15.7	17.1
1940	467.6	199.4	78.2	71.7	86.7	369.8	33.8	142.8	18.0	13.2	15.4	17.3
1941	663.0	263.8	98.4	103.1	93.9	412.3	31.2	191.5	23.5	15.8	19.9	18.4
1942	1017.4	388.7	144.8	154.6	113.2	493.0	32.4	228.2	30.0	19.0	27.5	22.9
1943	1445.3	696.2	160.0	238.3	129.8	682.9	30.3	285.3	37.1	24.5	32.6	28.6
1944	1365.1	634.9	198.7	227.1	140.2	611.9	34.7	265.0	32.5	24.0	34.0	28.7
1945	1500.1	695.9	245.0	308.5	132.7	621.4	41.8	345.6	37.7	26.1	33.6	29.5
1946	1480.0	632.1	268.3	268.6	131.4	518.9	41.5	274.2	37.6	28.0	36.2	32.6

Recent Revisions in Egg and Poultry Statistics

Estimates of chicken, turkey, and egg production on farms of the United States from 1940 to date have been revised for the years. On the basis of information from the 1944 Census of Agriculture and other information. Revisions of egg and turkey production data were very small in most instances being less than 2 percent. But revisions in the number of chickens raised have been larger, in some cases as much as 10 percent. Comparisons of the previous estimates and latest revisions of some of the important series are in the following table.

Table 7.- Comparisons of previous estimates and latest revisions, 1940-46

EGGS											
Year:	Farm production		Hens and pullets on farms Jan. 1		Per capita consumption		Cash receipts				
	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate			
	Mil. doz.	Mil. doz.	Million	Million	Number	Number	Mil. dol.	Mil. dol.			
1940	3,298.8	3,307.7	393	393	316	317	465	467			
1941	3,480.4	3,489.6	381	381	311	312	658	663			
1942	4,027.6	4,049.6	426	428	311	310	1,005	1,017			
1943	4,520.7	4,544.8	488	489	345	346	1,426	1,445			
1944	4,827.4	4,877.4	519	524	352	357	1,337	1,365			
1945	4,599.7	4,654.7	469	474	392	397	1,464	1,500			
1946		4,634.3		474		378		1,480			

CHICKENS AND BROILERS												
Year:	Chickens raised		Broilers produced		Chicken meat produced		Per capita consumption		Cash receipts (chickens)		Cash receipts (broilers)	
	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate
	Million	Million	Million	Million	Mil. lb.	Mil. lb.	Lb.	Lb.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
					(dressed wt.)	(dressed wt.)	(dressed wt.)	(dressed wt.)				
1940	617	634	132	143	2,423	2,514	18.0	18.7	190	199	66	72
1941	717	745	172	192	2,642	2,789	19.4	20.5	245	264	93	103
1942	795	844	205	228	2,988	3,241	21.5	23.4	346	389	139	155
1943	934	1,001	251	285	3,804	4,135	28.0	30.5	625	696	210	238
1944	750	832	236	265	3,468	3,879	23.6	26.8	542	635	203	227
1945	821	915	312	346	3,700	4,170	25.3	28.9	581	696	279	309
1946		740		274		3,568		25.4	632		269	

TURKEYS											
Year:	Turkeys raised		Production		Per capita consumption		Cash receipts				
	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate	Previous estimate	Latest estimate			
	Thous.	Thous.	Mil. lb.	Mil. lb.	Lb.	Lb.	Mil. dol.	Mil. dol.			
1940	34,224	34,047	482	479	3.6	3.5	78	78			
1941	33,161	32,902	468	465	3.6	3.5	98	98			
1942	33,110	32,805	496	492	3.7	3.7	145	145			
1943	32,970	32,309	466	457	3.4	3.3	160	160			
1944	36,330	35,616	552	541	3.4	3.3	199	199			
1945	44,991	44,221	677	673	4.3	4.3	245	245			
1946		40,859		687		4.5		268			

N.B. More complete data is becoming available regarding non-civilian takings of poultry products during the war years. This will necessitate further minor revisions of consumption estimates. Final revisions will appear in the July 1947 issue of The National Food Situation.

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