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EXPERIENCES OF THE RECENT PAST frequently guide producers in their future plans. Apparently poultrymen drew heavily on 1953, one of their most favorable years, when planning their 1954 operations. Optimistic expectations have been reflected in increased output of eggs, broilers and turkeys. With little change in demand, the larger supply has been sold for lower prices.

What may appear to be short-term overexpansion on the part of poultrymen is also connected with the maturing of a rapidly growing industry. Probably none of the livestock industries has experienced the rapid development that has taken place in poultry in terms of increased production, improved technology and greater efficiency.

Feed required to produce an egg was reduced by 20 per cent from the late 1920's to the late 1940's. Data for farms in New York indicate that 59 eggs were produced with one hour of labor in 1916-18, compared with 149 eggs in 1948-50--an increase of over 150 per cent.

Increased efficiency in broiler production is making also. In 1947 a 3 pound broiler was produced from 12.3 pounds of feed in about 89 days. By 1952 only 72 days and 10.5 pounds of feed were required to produce a larger broiler weighing 3.1 pounds.

Development of mechanical feeders and waterers and improved buildings have all contributed to the near automatism of poultry and egg production. Despite the downtrend in poultry and egg prices, relative to the general price level, increased efficiency has enabled poultry producers to cut per unit costs and expand output and markets.

The optimum size of operation has increased; profit margins have narrowed. And with narrower margins, small fluctuations in prices of products or of feed cause large changes in profits (or losses).

THE NUMBER OF HENS in laying flocks during the first half of 1954 has been a little larger and the average rate of lay has surpassed that of last year. As a result, egg production is about 3 per cent over the 1953 level. Prices, however, are the lowest since 1950.

The outlook is for a continued large volume of egg production as farmers have raised more chicks for flock replacement than last year.

Broiler production was about 7 per cent above year-ago levels through July of this year and is expected to continue large through September and October. With lower prices for broilers and little change in feed prices, profits are off substantially.

Turkey producers have not fared much better. Again the causal factor is on the supply side rather than the demand side of the fence. The number of turkeys raised is about 9 per cent over the year-ago level.

While about half of the crop usually is marketed in November and December, significant increases are occurring in the number marketed through the summer months. Prior to August 1, 20 per cent more turkeys were sold than in the previous year. During August the estimated increase was 12 per cent.

Turkey prices so far this year have been below their year-ago levels. With larger supplies of both beef and pork available this fall, little seasonal improvement is indicated.

In the face of sagging income, the Secretary of Agriculture has recently informed leaders of the poultry industry that the USDA is "ready at any time to discuss" price support aid for the industry. So far the industry has resisted supports in favor of a program calling for more research and market development.

BANKERS' INTEREST in improving agricultural credit services is highlighted by topics to be discussed at several state association meetings. The Illinois Bankers Association has scheduled a meeting at the University of Illinois on September 28 and 29 with the first day devoted to problems of farm management and farm finance. On October 8 and 9 the Iowa association holds an Agricultural Credit meeting at Ames.

The Agricultural Committee of the Wisconsin Bankers Association has recently completed a meeting oriented to forestry problems. The program emphasized the importance of forestry in the Wisconsin economy and provided bankers an opportunity to become acquainted with forestry management problems and the financial requirements for continued development of forestry in their areas.

Past experience indicates that country bankers find such meetings to be helpful in providing information needed to keep abreast of the rapidly changing scene in rural communities.

Research Department