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Demand for food products, including poultry, would be reduced if incomes and employment decline to the lower level assumed. This would mean lower prices, especially if production is not reduced. However, during the last two years when national income increased greatly, prices of poultry products did not increase nearly as much as those for meat animals. Therefore prices of eggs and poultry might not decline as much as those for meat animals.

Supplies of poultry products might be slightly lower if incomes and employment are at the lower level assumed, especially if the lower level of demand should continue for several years. The report on feed grains and meat animals indicates that somewhat less feed grain may be available with the lower level of economic activity. However, decreases in costs of feed and other items and in returns from alternative enterprises on farms would prevent any very large contraction in poultry production.

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### Poultry and Eggs 1949

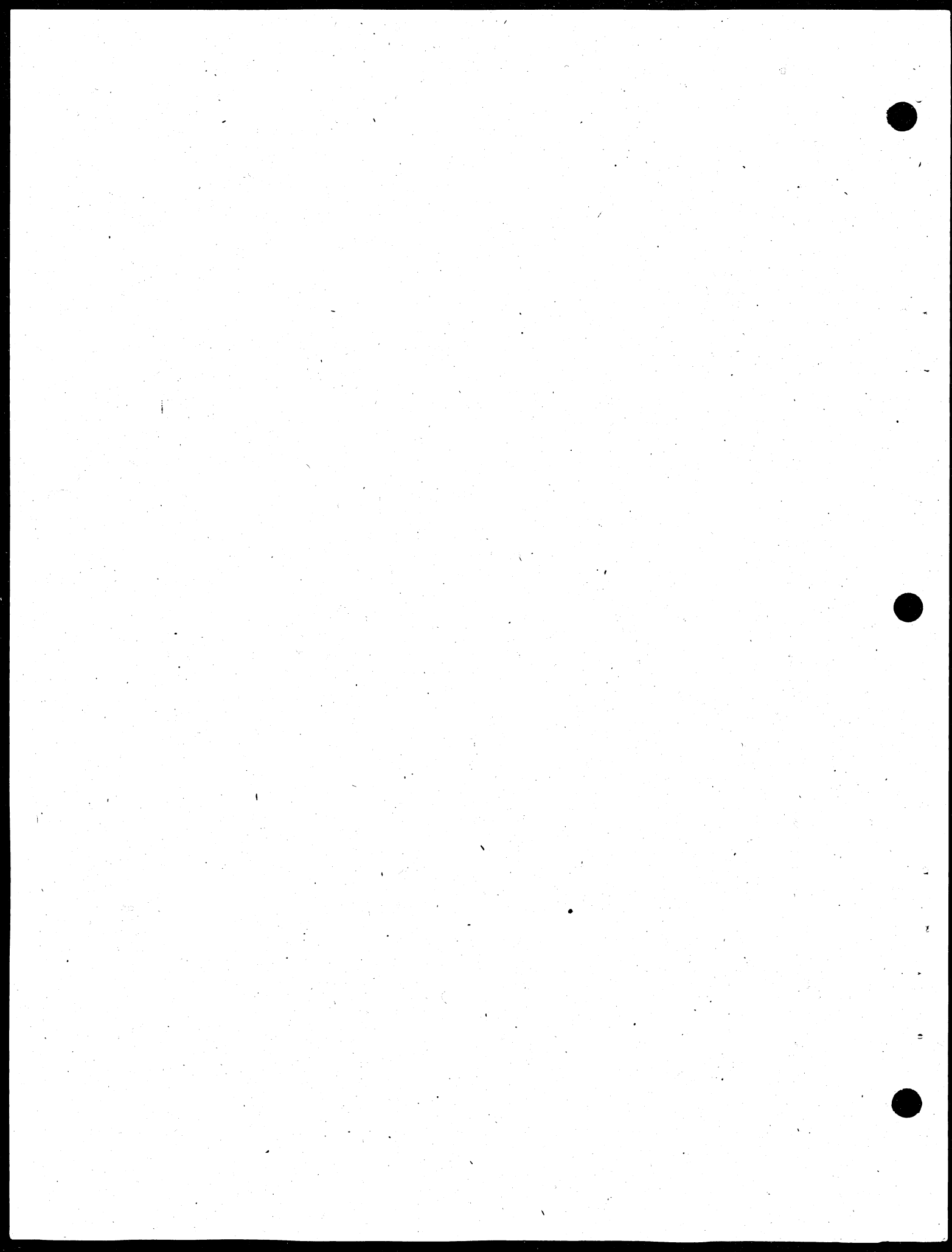
By George Rogers

If disposable income per capita remains at a high level, consumer expenditures for poultry products in 1949 will be close to 1948 levels. Supplies of red meats are not likely to be much different from those of this year before late 1949. Accordingly, if prices of poultry products average lower next year than in 1948, it will probably be primarily due to increases in total poultry product supplies and to changes in the seasonal distribution of supplies. In addition, assuming that there is some degree of substitution between poultry products and red meats, prices of poultry products are currently so much more attractive to consumers relative to red meats than in prewar years, that substantial decreases in prices of red meats would be necessary to reverse the current relationship.

The number of potential layers on farms December 31, 1948 is likely to be the smallest since 1940. This means that egg production during the first half of 1949 probably will be slightly lower than during the first half of this year. However, by the latter months of 1949, egg production may be running above this year's levels as the larger number of pullets raised for flock replacement become a significant factor in the egg supply. Total egg production next year may, therefore, approximate the 1948 total.

An important factor in determining 1949 egg supply will be the rate of lay per bird. In line with the upward trend, some further increase over the 1948 rate is expected next year. This is likely to have its most noticeable effect during the first half of the year, resulting in a smaller decline in egg production than would otherwise be indicated by the expected decrease in number of layers.

Farm prices of eggs during the first half of 1949 may average about the same to slightly higher than during the same period this year. Somewhat lower prices during the latter part of the year will tend to bring the average price for next year to about the same as in 1948. Unless the index of prices paid by



farmers changes significantly in the coming months, 1949 support prices for eggs may not be substantially different from those of this year.

There will be a record supply of feed concentrates per animal unit in 1948-49. Inasmuch as there can be little expansion of livestock production within a year except for hogs and poultry, total supplies of feed readily available for poultry production are expected to be much greater than during 1947-48 and feed prices generally lower.

The egg-feed, chicken-feed, and turkey-feed price ratios have in recent months become much more favorable than a year earlier. Chicken and turkey prices thus far in 1948 have been at record levels, and egg prices have been relatively high. Based on past relationships, the improved egg-feed ratio during the last part of 1948 and during the 1949 hatching season is likely to result in about 15 percent more farm chickens being raised than this year. Because of lower feed prices and record turkey prices during 1948, a similar increase in the number of turkeys raised in 1949 is likely.

Increased commercial broiler production in 1948 has partially offset the decline in farm chickens raised. During the first half of 1949 commercial broiler production is likely to be heavier than during the first half of 1948. Total numbers raised, however, may be about as large as in 1948.

Prices for farm chickens, commercial broilers, and turkeys are likely to average lower in 1949 than in 1948. With larger total supplies of chickens and turkeys coming to market during the latter part of the year, farm prices probably will decline to levels below those of this fall. During the first half of next year, however, prices may not be much different from those this year.

If the expected 1949 production of eggs, farm chickens, broilers, and turkeys is realized, per capita consumption of eggs is likely to be about the same as in 1948, and per capita consumption of chickens and turkeys somewhat higher.

