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POULTRY

The Egg and Poultry Situation

There was a rapid expansion in the poultry industry from 1919 to 1924. Receipts of poultry products have been increasing since 1924 so it is safe to assume that the expansion has continued. Poultry production now is four times as great as in 1880. The increase in egg production failed to keep pace with the increase in population from 1899 to 1919 but increased 16 per cent in the following five years, while the population increased only 8 per cent. The greatest increase in poultry on hand in this five year period was in the middle west and North Atlantic states. The greatest increase in egg production occurred on the Pacific coast and in the North Atlantic states. The increase in the middle west states was 13 per cent. However, 52 per cent of the eggs produced in the United States in 1924 came from the farm flocks in this area.

The expansion was doubtless due to the greater purchasing power of eggs and poultry immediately after the war as compared with other agricultural commodities. The purchasing power of eggs has declined to the level of other products but poultry has continued high. If recent trends in production continue foreign markets will have to be developed or the per capita consumption will have to increase to maintain satisfactory prices. In 1927 eggs did not sell readily even with low prices, but a large volume of poultry was moved.

This year opened with eggs in a strong position. The holdings of storage and frozen eggs were lower than a year previous and egg prices were slightly higher. The cool weather in the spring was conducive to a large production of good quality eggs and the receipts of eggs at the terminal markets began to be heavy. By the end of May the total receipts for the year were 17 per cent greater than in the same period of the previous year. Since May production has been less, but because of the large spring production the 1927 receipts to December 1 still were 6 per cent greater than in the first eleven months of 1926. Storage holdings have been greater than normal. The surplus over 1926 was wiped out by October but holdings that year were large. On December 1 storage holdings were 5 per cent greater. Winter production of eggs has been heavy for several years with a tendency to increase, so large storage holdings in the fall are burdensome.

The price of eggs continued to be somewhat above 1926 in January and February, but in March it dropped below and continued to drop until in July it was 8 cents lower. Since then it has recovered until in October it was only 1.2 cents lower. In October the price of the best quality fresh eggs actually was higher, but when pullet eggs appeared on the market it dropped below again. The average price for this year thru October was 3 cents less than the average for the corresponding period a year previously, which in turn was the lowest since the war.

Storage holdings of dressed poultry, amounting to 144 million pounds, in January, were the highest on record. The demand was sustained however and dealers were able to move their stocks altho prices were lower. The out of storage movement was accelerated by the moderate receipts which were lower than 1926 in spite of the low egg prices, which would lead one to expect producers to market some laying stock. In August and September at the end of the out of storage and the beginning of the into storage movement, the stocks on hand were very little greater than the five year average. On December 1 the holdings at the ten principal markets were only three-fourths as great as last year.

Poultry products more nearly approach the luxury class than most of the important agricultural products. When business is good they have a good market. Business has not been particularly active this year. Iron production has declined and steel prices are the lowest since 1916. Retail trade is slower than last year. Building is active but bank loans reflect a less active state of business. An expected rise in October failed to occur. Interest rates are low, however, so business may pick up. Prospects for egg producers do not seem bright. In spite of low prices, eggs have not been moving rapidly. Considering the storage and frozen egg holdings with the tendency to winter egg production, eggs appear to be in a weak position. The outlook for poultry prices is brighter. Altho beef is high in price, pork is low, so little support can be expected from other meats. However, storage holdings are not great and receipts have been lower than last year. Furthermore, the market in poultry has been active. Statistically poultry seems to be in a firm condition.

Returns from Poultry on the Pine County Farm Accounting Route

The returns from the poultry enterprise on the farms on the Pine County Farm Accounting Route at Askov in 1926 were barely large enough to pay the expenses. A detailed statement of income and cost for both 1925 and 1926 appears in the table on page 3. The lower gain in 1926 is due principally to the lower price of eggs.

As is generally the case, there was a wide range in profit between different farms. Of 24 farms having poultry 14 showed gains, the greatest being \$108 on a farm having about 120 hens with an average production of 127 eggs; 10 showed losses, the greatest being \$59. Several factors influence poultry profits. The flock should be large enough to make it worth while to care for them properly. Attention must be given to feeding properly without unduly increasing costs. A large production of eggs is very essential because where poultry production is conducted under handicaps, such as are encountered in Pine County, profits can be had only by conducting the enterprise at a high point of efficiency.

Returns from Poultry per Flock
Pine County Farm Accounting Route

	1925		1926	
	Amount	Value	Amount	Value
Number of hens	80		84	
Receipts:				
Eggs - Sales, doz.	756	\$222	731	\$197
Used in house, doz.	98	25	119	31
Poultry - Sales		32		25
Used in house		10		12
Increase in flock		24		--
Manure		6		$\frac{1}{2}$
Total Receipts		<u>\$319</u>		<u>\$269</u>
Expenses:				
Feed - Grain, lbs.	1702	33	1910	33
Commercial feeds, lbs.	4098	108	3703	87
Skimmilk, etc., lbs.	3472	9	3358	10
Other		14		11
Total Feed		<u>\$164</u>		<u>\$141</u>
Man labor, hours	335	67	323	64
Cash		31		15
Decrease in flock		--		11
Other		32		33
Total Expenses		<u>\$294</u>		<u>\$264</u>
Gain on poultry		25		5
Number of eggs per hen	129		122	
Average selling price of eggs		29.3¢		26.9¢

From the information in the table it seems evident that poultry raising under conditions similar to those existing in Pine County is not highly profitable. It should be noted, however, that the poultry did pay market price for feed and all other costs. Poultry increases the farm income as long as any return for labor is made even though it be small. In the grain raising sections poultry undoubtedly made much larger returns. Farm flocks in such sections furnish severe competition to commercial poultry men and farmers who must buy feed. Not only can poultry forage for a much greater share of its living in such areas but the grain fed is cheaper. The farm flock will make a substantial contribution to the farm income even though prices go low enough to drive commercial poultry men without special advantages out of the business.

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Note: Beginning with the January 1928 number, the Farm Management Service Notes will be issued on the 20th of the month instead of on the 10th.