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AGRICULTURAL EXTENSION DIVISION
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MINNESOTA FARM BUSINESS NOTES

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PRESENT TRENDS AND FUTURE PROSPECTS IN POULTRY PRODUCTION

Geography of Poultry Production

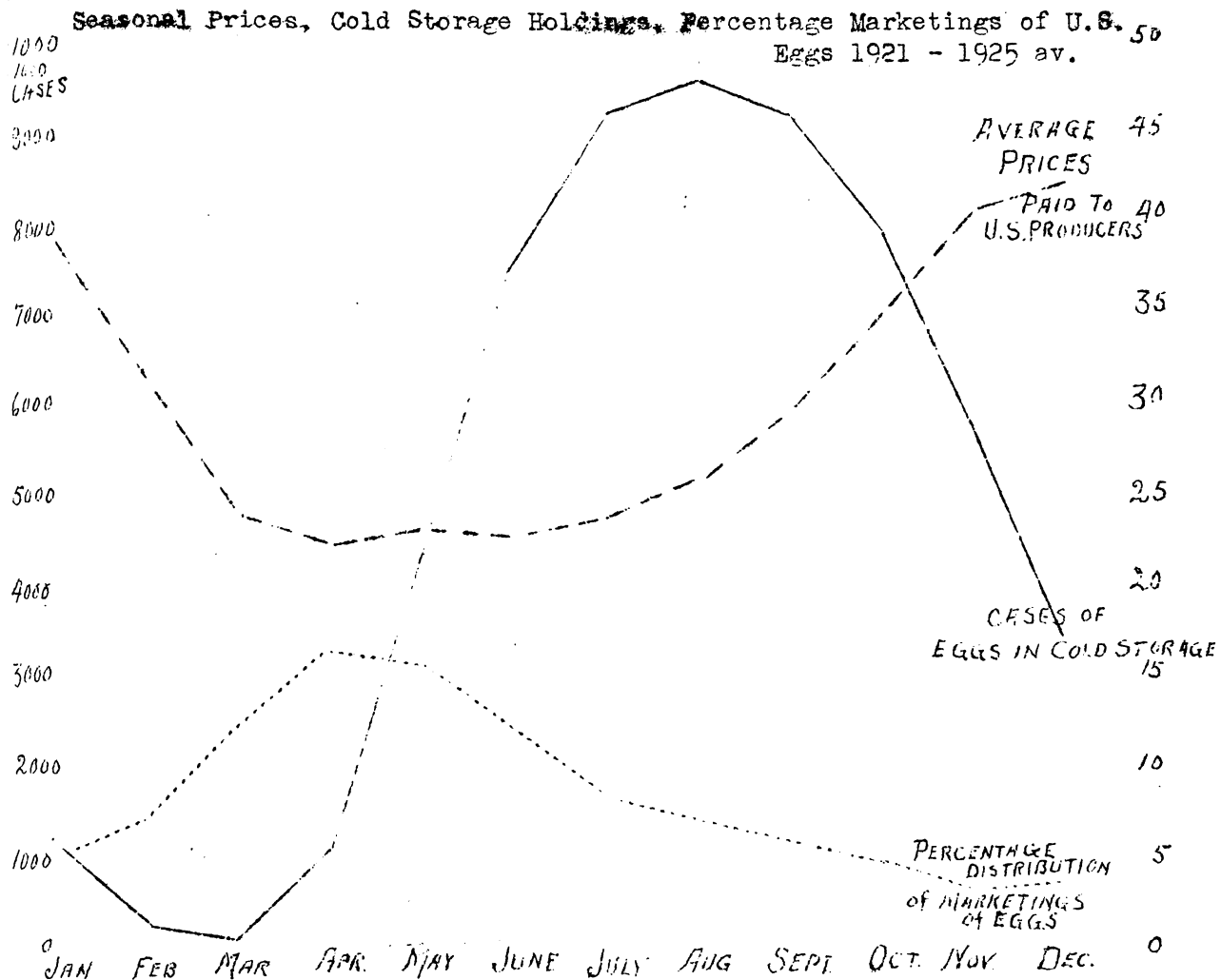
According to the 1920 Census the Middle Western states (East North Central and West North Central) produced 52.9 per cent of the eggs and 47.75 per cent of the chickens raised in the United States. Iowa leads all states in poultry production. Minnesota ranks ninth in number of chickens on farms, tenth in number of eggs produced, and sixth in production per bird. The number of chickens per farm is also highest in states of the middle west, indicating a large percentage of farms producing poultry, and that by what may be termed farm flocks. There is no indication that the Middle West will follow the example of some counties of California and some eastern states near large consumption centers on the Atlantic coast in the practice of specialized poultry production.

Price Trends

Prices received by Minnesota producers have had a definite upward trend since 1910, especially if the war period is eliminated. Minnesota producers received lower prices than producers of the United States as a whole, due partly to greater average distance to markets and methods of marketing.

A study of the prices of chickens, cold storage holdings, and distribution of marketing of poultry for the United States month by month since 1910 indicate that 58 per cent of the poultry is marketed during four months, from October to January. These market receipts are in excess of current demand consequently storage holdings accumulate during this period of heavy marketings. During this period prices for chickens are lower than the average for the rest of the year. Prices are highest during July due no doubt to the higher prices paid for springs. On the whole the prices do not change much throughout the year.

A study of the chart on page 2 of prices, cold storage holdings and distribution of marketings of United States eggs indicates that the greatest production of eggs takes place from March to June, 56 per cent of the total annual receipts of eggs coming to market during that period. The prices during this time are the lowest, being forced down by the supplies in excess of immediate consumer demand. Cold storage holdings accumulate from March to August and decline until the following March when a new stock begins to come into storage. Supplies of fresh eggs are less than the current demand from August to March and especially during November and December when the prices are the highest for the year. Approximately 6.6 per cent of the annual production of eggs is marketed during the two months of high prices and about 57 per cent during the four months of lowest prices. The spread between the average prices of these two periods is nearly 20 cents per dozen. The desirability of heavier egg production during the fall and winter months is suggested.



Poultry Outlook for 1929

In general the prospective supply and demand situation indicates higher prices for poultry during the first half of 1929 than for the same period of 1928, because of relatively smaller flocks of chickens on farms January 1 and smaller cold storage holdings of poultry and larger supplies of feed. Higher prices, however, might reduce consumption and stimulate production of broilers and the sale of a larger proportion than usual of the laying flocks on farms. Poultry prices for the past several years have held up much better than have egg prices. If this relationship continues some shifting toward meat producing breeds may be expected.

Smaller numbers of laying hens and pullets on farms is a factor favorable to egg producers while non-profitable storage season last year is unfavorable as it will tend to discourage heavy cold storage holdings. The heavy cold storage holdings of eggs, 60 per cent greater on January 1, 1929 than a year ago, will tend to depress prices for eggs during the early months of the year. Hence prospective supply and demand point to a somewhat lower price for eggs during the season of flush production in 1929. This emphasizes the importance of a more uniform distribution of egg production throughout the year.

The poultry situation may be summarized as follows:

1. Prices of poultry and poultry products have shown a steady upward trend since 1910 and there is no reason to expect any sudden change.
2. While specialized poultry production is increasing on the Pacific and Atlantic coasts, the farm flock will continue to be a profitable side line on Middle Western farms.
3. Increased attention should be given egg production during seasons of low production and high prices.
4. Some attention might well be given to a more uniform marketing of chickens.

D. C. Dvoracek.

PRICE INDEX NUMBER FOR JANUARY 1929

The index number of Minnesota farm prices for January 1929 was 99.9 as compared with 100, which represents an average of the prices prevailing in the three Januaries of 1924-25-26. The price indexes for 1927 and 1928, measured from the same base, were 112.4 and 99.9, respectively.

The farm prices of all kinds of livestock, flax and hay were higher in January 1929 than in January 1928. Wheat, oats, barley, potatoes and eggs were the chief farm products on which the price was lower. The net effect of these increases and decreases when weighted according to the amounts sold in January, was an index which showed practically no change in the Minnesota farm price level.

The Minnesota index was given in full for the past five years in the January number of the Minnesota Farm Business Notes.

A. G. Elack and D. D. Kittredge.