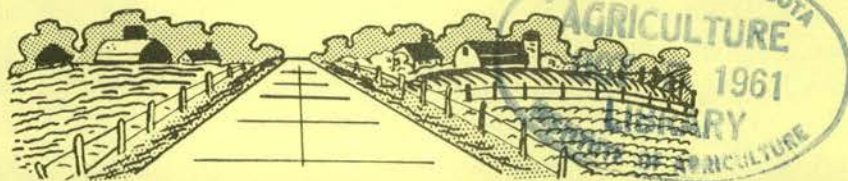


LEAD

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Minnesota Farmers



1002
EGGS

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AT A GLANCE:

- Egg production in the United States was 2.1% less during the first seven months of 1961 than it was during the same period in 1960. In Minnesota it was 3.2% less.
- The size of the chick hatch for laying flock replacements in the United States was 5.7% larger during the first seven months of 1961 than it was during the same period in 1960. In Minnesota it was 3.4% larger. Indications are that the laying flock as of January 1, 1962 may be 5 to 6% larger than on January 1, 1961.
- Although general economic conditions will remain favorable there is no indication of any increase in the demand for eggs, and in the "size" of the egg market.
- Egg prices received by producers during the laying year of 1961-62 will no doubt be somewhat below what they were during the laying year of 1960-61, but considerably above what they were in the earlier laying year of 1959-60.

SITUATION

OUTLOOK

• Because the number of egg type chicks hatched by commercial hatcheries for laying flock replacement in the United States in 1960 was over 11 percent less than in 1959, the resulting laying flock in the latter part of 1960 and in the earlier part of 1961 was smaller, than what it was the year before. During the first seven months of 1961 egg production in the United States was 2.1% less than it was during the same months in 1960. In Minnesota it was 3.2% less during this period than it was in 1960.

• The reduction in total egg production in late 1960 and in the earlier part of 1961, because of the smaller number of layers, was slightly offset by the continued increase in the rate of lay (eggs per hen). The rate of lay, based on the average number of layers on farms during the year, was at an all time high in 1960 for the United States as a whole and also in Minnesota. The rate of lay in Minnesota which was 220 eggs per layer was above the average of 209 for the United States.

• The rather favorable relationship between the demand for eggs (size of the market) and the available supply, as a result of lower egg production, resulted in more favorable prices to producers. In the last quarter of 1960 the egg prices received by farmers were as much as 14 cents per dozen higher in the United States as a whole (in November) and as much as 19 cents per dozen higher in Minnesota compared with the prices in the last quarter of 1959.

• The size of the hatch for laying flock replacement is a fairly good indication as to what the size of the laying flock will be during the next "laying year". Because the size of the hatch for laying flock replacements for the first 7 months of 1961 was about 5.7% above what it was a year ago this is a pretty strong indication that the laying flock in late 1961 and in 1962 will be larger to about that extent compared to the size of the flock during the laying year of 1960-61. The egg enterprise is more flexible than almost any other agricultural enterprise and the size of the laying flock is not completely determined by the size of the hatch. The number of pullets which are culled out at the time they are mature and are put in the laying house, and the number of old hens which are continued in the laying flock have an influence on the total number in the laying flock as of a certain date. When egg prices are quite favorable in the fall of the year the culling of the young pullet flock is usually less severe, and more old hens are usually also kept for a longer period of time. On the other side if egg prices are quite unfavorable the young pullet flock is culled more severely and less of the old hens are kept in the laying flock. With the prevailing situation, it appears that there will not be any abnormally strong action on either side in the last quarter of 1961.

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SITUATION

OUTLOOK

In the first quarter of 1961 the egg prices received by farmers were again as much as 10 1/2 cents per dozen higher in the United States as a whole (in February) and as much as 11 cents per dozen higher in Minnesota compared with the prices in the first quarter of 1960. However in the second quarter of 1961 the egg prices received by farmers were lower than they were during the same period of 1960.

The length as well as the peak of the main hatching season for chicks for laying flock replacement is affected by the price of eggs. Favorable egg prices during the winter months stimulate the earlier spring hatches and unfavorable egg prices at that time curtail them. Favorable egg prices during the spring months stimulate the late spring and early summer hatches and unfavorable egg prices at that time curtail them.

Because the size of the total laying flock in the United States was smaller in late 1960 and in early 1961, compared to the year before, and because egg prices received by producers were comparatively higher, it resulted in a stronger demand for baby chicks and a larger early spring hatch for laying flock replacements in 1961. The number of chicks hatched by commercial hatcheries for laying flock replacements was considerably larger for the United States as a whole and in Minnesota during the first 4 months of 1961 than it was during the same months of 1960. However, because egg prices had dropped considerably in April of 1961 it resulted in a reduction in the demand for baby chicks for laying flock replacements during the late spring and early summer. In the months of May and June of 1961 the number of egg type chicks hatched by commercial hatcheries for laying flock replacement was quite a bit below the number for the same period in 1960. For the first seven months of 1961 the size of the hatch for laying flock replacements in the United States as a whole was 5.7% above the hatch for the first seven months of 1960 and in the state of Minnesota it was 3.4% above what it was during that period in 1960.

The average mid-month prices of eggs per dozen which were received by Minnesota producers during the egg laying year of (1) September 1959 through August 1960 and (2) September 1960 through August 1961 were as follows:

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
1959-60	27¢	22¢	21¢	20¢	19¢	20¢	26¢	30¢	26¢	23¢	23¢	25¢
1960-61	31¢	36¢	40¢	34¢	28¢	31¢	30¢	26¢	26¢	24¢	27¢	29¢

There is no indication of any expansion in the demand for eggs, and in the size of the market. Per capita consumption of eggs in 1960 was 334 which was the lowest since the late 1940's. Although general economic conditions will very likely be comparatively favorable in 1962 it is not expected to bring about much if any expansion in per capita consumption of eggs and in the per capita consumption of other foods.

Except for the month of April the egg prices received by producers were as high, and usually considerably higher, in the laying year of 1960-61 than what they were in the laying year of 1959-60. This was in large part the result of the smaller hatch for laying flock replacements in 1960, which as mentioned was 11 percent below what it was in the United States in 1959. With a hatch in 1961 which may be between 5 to 6 percent larger than the 1960 hatch, and a resulting larger laying flock, to about the same extent, it is expected that the mid-month prices received for eggs in late 1961 and in 1962 may range somewhat below the prices received in the egg laying year of 1960-61. However, because the size of the laying flock in the laying year of 1961-62 will still be considerably below what it was in the earlier period the mid-month egg prices received by producers will no doubt be considerably above what they were in the laying year of 1959-60. Monthly egg prices received by producers vary considerably, not only from one year to another but also from month to month within a laying year which can be observed from the list of mid-month prices. However, generally speaking it appears that the egg prices received by producers during the laying year of 1961-62 may be about mid-way between the mid-month prices as listed for the laying years of 1959-60 and 1960-61.

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