



Poultry Patter

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THE LANGUAGE OF EGG MARKET REPORTS

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An egg market report is an account of egg prices paid during some past period of time. There are a number of types of market reports. The daily egg report of the Dairy and Poultry Market News Branch of the Consumer and Marketing Service, U.S. Department of Agriculture, is one of the most commonly referred to reports. Other market reports are issued by commercial price reporting concerns on a fee basis to subscribers. Most individual firms involved in the egg industry in effect have a market report in their periodic report of paying prices.

A complete market report provides information on trading activity, supply and demand conditions, and the situation under which the prices were determined. The terms used in market reporting may have meanings peculiar to the report and different from uses of the same term in another field. To make the best use of the report, a thorough understanding of terms used is essential.

Different price levels are involved in market reporting. The following kinds of egg prices for specified locations may be found:

RETAIL PRICES--Prices paid by consumers to supermarkets and to other retailers for clean, sized, graded, and cartoned eggs.

PRICES TO RETAILERS--Prices received by producers, central grading stations, wholesalers, and jobbers when they sell clean, sized, graded, and cartoned eggs to supermarkets and small retailers.

WHOLESALE SELLING PRICES--Prices received by wholesale handlers when they sell clean, sized, graded, and uncartoned eggs to jobbers, chain store organizations, and other volume buyers.

F.O.B. PAYING PRICES--Prices paid by wholesale egg dealers, large retail distributors, or warehouses for eggs bought at the farm, central grading station, or delivered to a terminal market indicated on the report.

Every effort is made to utilize words that accurately and specifically explain the situation in market reports. The following glossary of terms issued by the Dairy and Poultry Market News Branch of the Consumer and Marketing Service may be helpful in interpreting their egg market report:

- A. **DEMAND.** This means the desire to possess, coupled with a willingness to buy at a certain price.
 1. Heavy demand. Implies rapid absorption of available supplies.
 2. Good demand. Implies buyers' confidence--they are readily buying their full needs.
 3. Improved demand. Implies an increase in demand over the previous trading period.
 4. Fair demand. Implies lack of buyer interest in acquiring any more than minimum needs.
 5. Light demand. Some trading, but interest considerably less than normal.
 6. No demand. No buying interest; trading at a standstill.
- B. **MARKET.** This term has several meanings, depending on how it is used.
 1. Buying and selling, or either of the two; that is, marketing.
 2. The geographic region or locality in which a commodity is traded.
 3. The price at which a commodity is traded.
- C. **TONE OF MARKET.** A term associated with the pulse of activity, with the intensity expressed as follows:
 1. Very firm. Supply is short of current and/or anticipated demand, with prices advancing.
 2. Firm. Supplies are clearing readily under current demand. Prices may be unchanged or tending higher.
 3. Steady. Supply and demand are well balanced, with no indications, that price changes are imminent.
 4. Weak. Supplies are in excess of demand, with a lack of buyer confidence and prices tending lower.
- D. **MARKET SUPPLIES.** Refers to all stocks available for current trading. Supplies may be described as follows:
 1. Plentiful, heavy, liberal, or large. More than sufficient to meet buyers' requirements.
 2. Ample. Slightly more than buyers' needs.
 3. Adequate. Sufficient to take care of buyers' needs.
 4. Light, scarce or short. Insufficient to supply buyers' normal needs.
- E. **MARKET TERMS.** Certain words or expressions used are peculiar to general trading activity and mercantile exchange trading.
 1. Bid. Willingness to buy at a stated price.
 2. Offer. Willingness to sell at a stated price.
 3. Spot. Current trading on the exchange.
 4. Futures. Agreement to buy and receive or to sell and deliver a commodity at a future date, under conditions specified by the trading rules of the particular exchange.
- F. **PRICES.** The prices listed in market reports are a composite of actual sales reported where change of ownership takes place. The price range reported is not intended to represent total sales in a market, but usually represents the major volume of sales occurring during the period.

The foregoing glossary of terms is from the Dairy and Poultry Market News Branch news release. Persons interested in further information on the daily egg report or other available market reports of the Consumer and Marketing Service should write to the Dairy and Poultry Market News Branch, Consumer and Marketing Service, 430 State Office Building, St. Paul, Minnesota 55101.

THE MARKET REPORT AT A GLANCE. Keep in mind the following considerations when using market reports:

Date of Issue. Price reports are history. They only report prices paid during some specified past period.

Volume of Trading. Changes in volume of trading may indicate the direction in which future prices may move.

Price and Quality. A price report may be recording prices for various qualities of eggs.

Tone of the Market. Opinions of buyers and sellers are useful in indicating and evaluating present and future relationships of supply, demand, and prices.

Price Levels and Market Channels. Eggs in different stages of the market channel will bring different prices.

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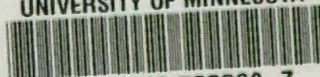
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