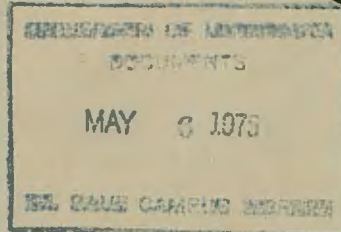


Poultry Patter



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1973 EGG PRICES AND TRENDS

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While 1973 was not a typical year, a review of some past trends in egg pricing and market outlets can be helpful for planning and comparing. Much of the following data have been compiled by L. Z. Eggleton, Iowa Extension Poultry Marketing Specialist. The Iowa at-farm prices from the USDA Market News Service statistical series are the closest comparison representative of Minnesota and other Midwest egg production areas.

Prices shown for New York Wholesale large white eggs (minimum 10 percent AA) are representative of the highest quality eggs traded in the New York market. The prices at Chicago are for large white (80 percent A or more) eggs. Both are for wholesale packs, loose, 30 dozen per case. Daily trading in these packs no longer takes place on either Exchange floor, but eggs packed this way still reach the wholesalers by direct sales from assembler-packers in the production areas. Market reporters rely on contacts made with both buyers and sellers to report daily prices. These two reports of daily prices followed each other very closely in 1973 (see accompanying table and chart). Monthly averages of the Tuesday reports are nearly identical in some months. These reports are used by egg buyers to help determine farm prices, but usually where there is a contract involved between buyer and producer, the commercial quotation issued daily by a private reporting firm is used. Historically the commercial quotation has been lower than the USDA reported price.

The difference between Iowa farm price for incentive A large and the New York price averaged 9.4 cents on a monthly basis. This difference was about the same as for 1972, but about a cent more than the 1971 figure. It is to be expected that actual marketing costs have been rising due to increased labor, equipment, and packaging costs, but controls on wholesale prices were probably effective, at least during 1973.

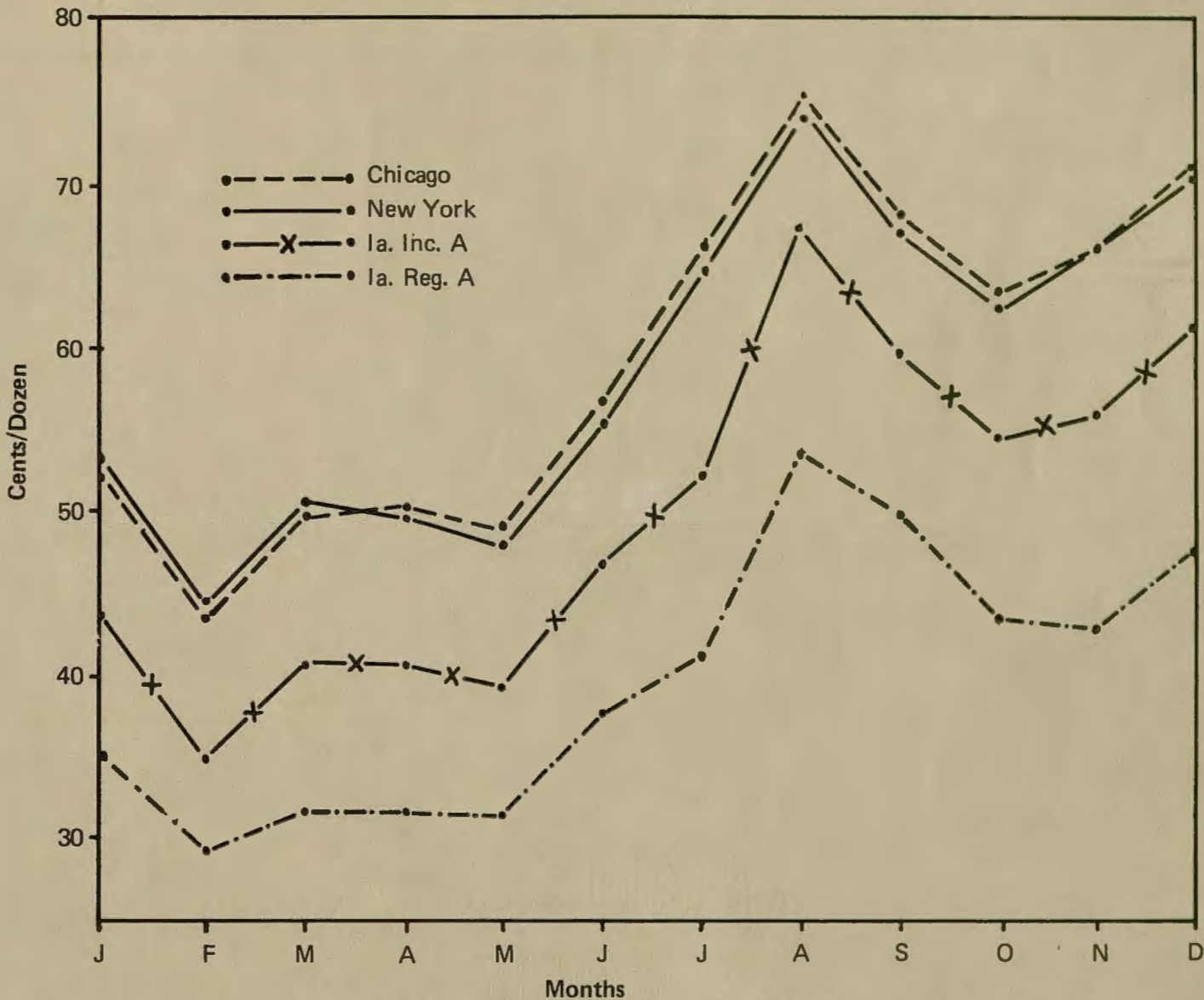
Most of the eggs sold by producers in the Midwest are priced on an incentive basis. These eggs are refrigerated at the farm and normally delivered to grading plants within 4 days of production. Eggs from smaller flocks or those not on contract may be priced as reported by the USDA Market News Service as regular eggs. Regular prices are paid for eggs often not farm refrigerated and time between production and delivery to the grading plant is usually not specified for these eggs. Both the incentive and the regular eggs are graded at the assembly plants and bought on a grade-yield basis at the time of handling. During 1973 the difference in payment between incentive and regular grade A large eggs was just over 10 cents per dozen.

A traditional transportation differential between New York and Chicago wholesale prices has ceased to exist during the past 2 years since each area is becoming more self sufficient in supply. Wholesale prices at the reporting centers are tending to reflect a more sectional situation with no need to attract movement from the Midwest.

Comparison of Iowa at-farm prices with monthly wholesale quotations—1973

Month	NY Wholesale 10% AA	Iowa Incentive Grade A	Difference NY Whlse & Ia. Inc. A	Iowa Regular Grade A	Difference NY Whlse & Ia. Reg. A	Chicago Wholesale 80% A
January	53.6	43.5	10.1	34.6	19.0	52.4
February	44.0	34.8	9.2	29.1	14.9	43.0
March	50.2	40.8	9.4	31.9	18.3	50.0
April	50.0	40.4	9.6	31.7	18.3	50.1
May	47.5	39.1	8.4	31.3	16.2	48.6
June	55.4	46.4	9.0	37.9	17.5	56.5
July	65.2	52.9	12.3	40.8	24.4	65.8
August	75.0	67.1	7.9	53.5	21.5	75.3
September	67.8	59.7	8.1	49.5	18.3	68.3
October	62.6	54.2	8.4	43.8	18.8	63.4
November	66.4	55.7	10.7	42.6	23.8	66.4
December	70.8	61.0	9.8	47.4	23.4	71.0
Average	59.0	49.6	9.4	39.5	19.5	59.2

Wholesale prices calculated by averaging Tuesday Prices Dairy and Poultry Market News USDA, C. & M.S. (Iowa prices: weighted monthly averages reported by Des Moines office, Market News Service, USDA.)



Comparison of Iowa at-farm prices with monthly wholesale quotation—1973

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