

Poultry, Egg Prices Seen Above Last Year's

Egg prices are picking up and for fall and winter will run well above the depressed levels of a year earlier, reflecting reductions in flock size according to the USDA's Economic Research Service. Broiler prices are due or a seasonal decline, but even with moderately greater output this year, prices will be above last fall's level thanks to strong demand. Increased turkey production will hold seasonally rising turkey prices a little below a year ago.

Egg output this year has exceeded expectations largely because of higher productivity resulting from the use of Marek's disease vaccine. January-August egg output totaled slightly above the same months of 1971, although production since April has lagged year-ago levels.

Flock size on September 1 was down 4 percent, the rate of lay was up about 2 percent, and output in August was 1 percent

below a year earlier. The rate of lay continues to set new monthly records despite an aging flock and more molted layers in the flock. However, a continued smaller laying flock in the fall and winter will more than offset further increases in the rate of lay, keeping egg output below year-earlier levels.

Weak shell egg demand for table use has kept 1972 egg prices down, but the lagging output is beginning to stimulate prices. January-August prices paid to Georgia producers for Grade A large eggs averaged around 24 cents a dozen, about 4 cents below the same period of 1971. Prices to Iowa producers averaged about 31 cents in Georgia and 29½ cents in Iowa, about the same as a year earlier. New York wholesale prices of Grade A large white eggs in mid-September were about 39 cents a dozen, 7 cents above the prior month and 3 cents above mid-September 1971.

Prices in the fall and winter are expected to run well above last fall's depressed prices. New York wholesale prices for Grade A large eggs averaged 34 cents a dozen last fall and less than 32 cents during January-March 1972.

Broiler meat output in Federally inspected plants continues at record levels, up nearly a tenth through July this year. The number reaching Federally inspected plants advanced 6.6 percent. The average weight of broiler inspected for slaughter increased and condemnations were sharply lower.

Although the production margin over a year earlier will narrow, it likely will remain positive at least into 1973. Demand prospects are favorable as a result of pork production running relatively light, red meat prices continuing high, and disposable personal incomes increasing. Based on chick

placements and egg settings, the number of broilers for marketing during September-November will be up around 2.5 percent with largest gains early in the period.

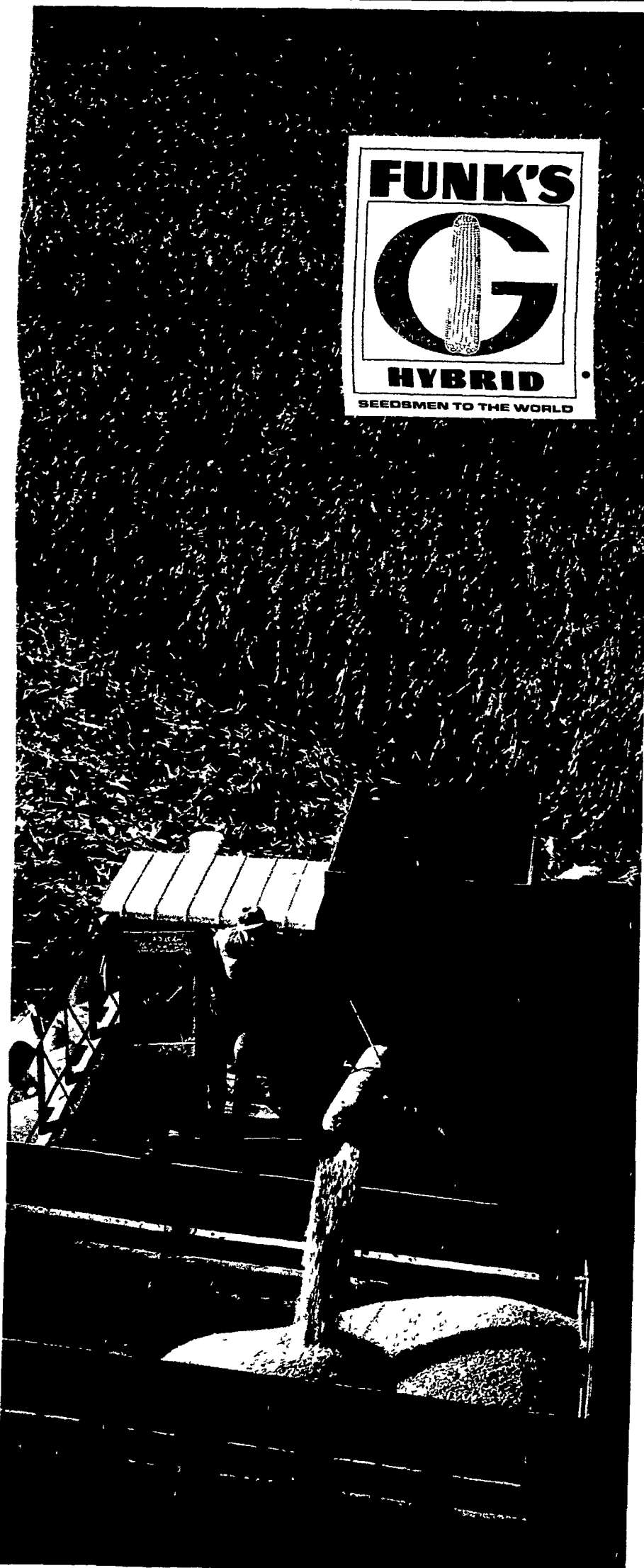
Broiler prices lagged in early April as output continued to gain. Prices strengthened in the summer and during August moved above year-earlier levels. The 9-city average wholesale price dropped to the 25-cent level in early April then recovered and averaged about 30 cents for the second week of September. Prices will decline in the fall but will probably average above the 24.9 cents for October-December 1971.

The 1972 turkey crop is the largest on record. It is 128 million birds, 7 percent more than in 1971 and 1 percent above the previous record of 1967. Turkey meat output in Federally inspected slaughter plants through July this year, a period of seasonally light marketings, was up 12

percent from the same period of 1971.

Turkey output during the heavy marketing season, September-December, will continue moderately above 1971. There were 6 percent more poultts placed during March-June to provide most of the late summer and fall market supplies.

Turkey prices have been near to below year-earlier levels since early 1972. Weaker prices resulted largely because of expanded output. Although production was up sharply in the first half of this year, demand was strong and cold storage stocks remained near year-earlier levels. Stocks commenced to build up seasonally in July and on September 1 they totaled about 325 million pounds, up 17 million from September 1, 1971. Turkey prices will increase seasonally this fall, perhaps close to last fall's level. At the same time, reduced pork output, high red meat prices, and higher incomes will tend to support turkey prices.



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McHale Says Farmers Not To Blame for Food Prices

"Consumers must understand that farmers are not to blame for rising food prices," Pennsylvania Secretary of Agriculture Jim McHale told a Philadelphia consumer group last week.

"In fact farmers and consumers have a common problem today — both groups are being hit hard in the pocketbook. Farmers' net income has stagnated for 20 years and consumers are forced to pay larger grocery bills each year," McHale declared to the Philadelphia Area Consumer Organization (PACO) at the Trinity Lutheran Church in Germantown.

McHale asserted that middleman food processors are reaping higher profit margins and that vertical integration of farms is on the upswing. "When monopolies control production from seedling to produce in retail outlets they will have the same control over prices that the big three now enjoy with cars," said McHale.

McHale called for consumer backing of progressive farm legislation that will increase bargaining power for farmers and boost parity prices to 100 percent. "Increased farm income is the only way to save family farms," said McHale. "And it is the family farm that historically has provided wholesome food to consumers at reasonable prices."

McHale also urged PACO to fight for better consumer protection laws on the federal level. "A single consumer protection agency is now needed to protect all the interests of consumers," said McHale.

The secretary also described the regulatory functions of the Pennsylvania Department of Agriculture, noting various retail food inspection programs.

The Old Timer



"One objection to voting a split ticket—you can't be sure which party to blame."