

## Low Egg Prices in '73?

By A. Kermit Blrth  
Marketing Specialist,  
Penn State

Is the egg industry starting to build up to another surplus situation before having an opportunity to recuperate losses from the unfavorable situation of the immediate past? Reduced slaughter of hens under federal inspection and increased hatch of chicks for laying flock replacements in September suggest a potential increase in the number of layers in the future.

Attempting to predict prices and trends in the industry has been a challenge. When reductions in the number of chicks hatched and pullets grown indicate price strength, producers tend to reduce sales of hens. Thus, more older hens stay in the nation's laying flock.

In 1972, through the week ending May 3 about 5.3 million more layers were slaughtered under federal inspection than a year earlier, as compared to about 3.7 percent fewer between May 10 and October 4. Thus, by October 4 only about 1.5 million more layers had been slaughtered than a year earlier. Hens killed to eradicate exotic Newcastle disease are not included in USDA slaughter information. However, the numbers do influence the data since these hens would have been slaughtered. The additional slaughter to date would not have been as much as the numbers actually killed, because of normal mortality and age of the layers.

Perhaps another reason slaughter under federal inspection has been declining relative to a year earlier is holding of hens to offset the loss of layers killed due to exotic Newcastle disease on the west coast.

Chicks hatched for laying flock replacements in September were about 3 percent above a year earlier, but the total hatch through September this year was down 10 percent. Layers on farms were 4 percent less than a year earlier. The reduced number of layers was offset in part by a 2 percent increase in the rate of lay.

The proportion of forced molt layers in the nation's laying flock has held about steady for four months—July through October—and ranged between 13.1 and 13.4 percent.

In November and December

fewer pullet chicks should be available for housing as layers. Thus, if slaughter in the next month stays about the same as a year earlier, there should be a further reduction in the nation's laying flock. In May about 15 percent fewer chicks were hatched for laying flock replacements than a year earlier, as compared to 12 percent fewer in June and 6 percent in July.

Rate of lay continued to average above a year earlier. But it is questionable whether the rate of lay will continue at this higher level. Fewer pullets added to the nation's laying flock and more forced molt layers tend to reduce the rate of lay and are price-improving situations.

Adding weakness to egg prices are reduced military purchases and increased supplies of frozen and dried eggs. However, the market for liquid eggs—not frozen or dried—continues to expand. Weather, consumer purchases, and eggs used for hatching of chicks for both laying

and meat could each add strength to egg prices.

The tendency to expand production when prices improve continues. Perhaps the question in the minds of most persons in the industry is "Will prices improve sufficiently to recoup most of the losses incurred during the low price period of late 1970, 71, and 72 before trending downward?" This depends on the industry. With today's rather highly concentrated industry and increased number of hens per production unit, the influence of a small number of producers can have a more significant impact on changes in production and prices than it did a decade or two ago.

One cannot overlook the often repeated statement, "It only takes a small change, 3-4 percent, in quantity of eggs available to consumers to change from a profitable to unprofitable situation for a good portion of the industry." Production in Sep-

tember was about 2.5 percent below a year earlier.

The increased forced molting of hens has helped offset part of the decrease in number of pullets grown. Prices are averaging above a year earlier. Egg prices should continue to strengthen. The situation next year depends on whether the industry continues to adjust production to market needs at profitable prices.

If the increase in hatch of chicks for laying flock replacements continues, as occurred in September and as indicated for October, without an offsetting increase in sale of hens, prices could weaken by

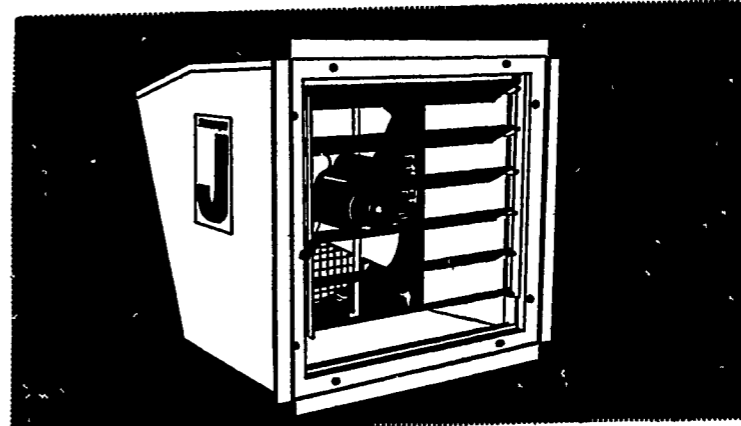
February or March relative to the same period of 1972. Yes, the industry is finding it difficult to make the adjustments needed to get out of a low price situation.

### MANURE PITS

24-36 ft., 48 ft. & 60 ft. Diameter 12 ft. Deep circular precast concrete with Gunitite coated interior.

ZIMMERMAN  
INDUSTRIES, INC.  
R.D. No. 1 Ephrata, Pa. 17522  
733-6166

### JAMESWAY All-Season Ventilation



Controls Environment Automatically

- \* Complete Intake-Exhaust System
- \* Draft-Free Conditions
- \* Thermostat and Time Controls
- \* For All Farm Buildings

**YOU CAN COUNT ON US**

Reliable Products - Installation - Service

### M. E. SNAVELY

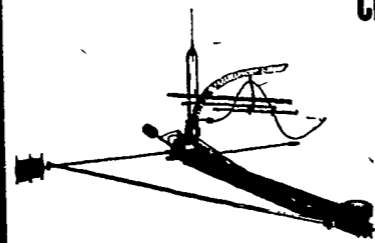
445 South Cedar St., Lititz, Pa. 17543 Ph. 626-8144

### BEFORE YOU BUY ANY SILO OR SILO EQUIPMENT....

CHECK WITH YOUR  
LOCAL REPRESENTATIVE

- C. B. HOOBER
- JOHN KREIDER
- J. SAMUEL SHERER
- EUGENE HELLER

We Sell the Best  
For Less



STARLINE UNLOADER

CHECK OUR FALL AND EARLY  
ORDER DISCOUNTS  
SPECIAL DEAL ON  
STARLINE UNLOADERS  
WHILE THEY LAST

AUTOMATIC BELT FEEDERS

### LANCASTER SILO CO., INC.

2436 Creek Hill Road or  
2008 Horseshoe Road, Lancaster, Pa.

### The Snapper Snow-Thrower. It gets you through the worst of winter.

When the snow begins to pile up or ice over, winter may not be exactly a "wonderland" for you. Not if you're the one who's got to shovel his way through it.

But now there's the Snapper Snow-Thrower. Its big 26" wide cut will get you through even the toughest ice and snow jobs. And its two-stage system throws snow up to 40 feet away.

Completely winterized with a fully-sealed chain and gear transmission. Extra large wheels offer total stability and traction, and it is properly balanced for easy handling in the most rugged conditions.

See your Snapper Snow-Thrower dealer. Then let winter do its worst. You'll be ready.



McDonough Power Equipment Inc. A subsidiary of Fuqua Industries, Inc.

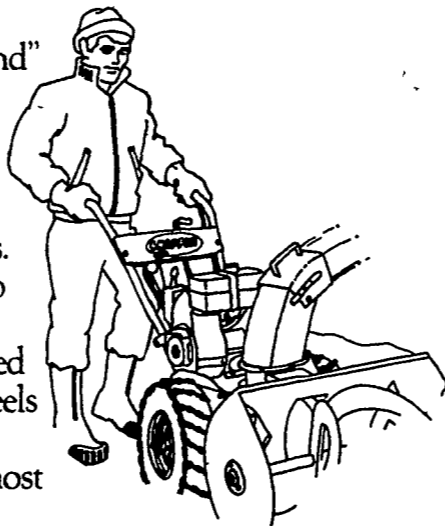
### GEHMAN BROS.

SALES AND SERVICE

1 Mile North of Terre Hill on Route 897

East Earl, R.D.1, Pa.

Phone 215 445-6272



### ARE HIGH SUPPLEMENT PRICES GETTING YOU DOWN

Switch to Mol-Mix liquid supplements. . . the money-saving way to insure maximum feed efficiency. Puts low-cost gains on your beef cattle and sheep, gets top production from your dairy herd.

Mol-Mix is a cane molasses-based supplement . . . a powerhouse of energy, protein, vitamins, and trace minerals. . . all in liquid form for quicker digestion and use. Mol-Mix is easier to handle, too. . . saves you trouble, time, and labor costs.

### NOW FORTIFIED

with a new combination  
of power-packed ingredients.

Distillers Solubles Phosphoric Acid  
Condensed Fermented Corn Extractives  
Ammonium Polyphosphate

Join the crowd. Join the trend. Join  
the growing number of satisfied  
Mol-Mix customers.  
For more information see us today.

### JOHN Z. MARTIN

New Holland R#1

Phone 717-354-5848

Mol-Mix® the  
liquid supplements leader