# Poultry specialist looks at egg prices

UNIVERSITY PARK — Egg production continues to equal or exceed year earlier levels, according to A. Kermit Birth, Extension poultry marketing specialist at Penn State.

The reduction in number of pullets housed has been offset by increased force molting. The number of layers on farms throughout the nation has not been reduced to the extent necessary to bring average prices above total cost of production for most of the industry.

In the period May, 1980 through April, 1981, about 8 percent fewer egg-type chicks had been hatched for laying flock replacements than a year earlier. In the period from January through April, 1980, 6 percent fewer egg-type chicks were hatched for laying flock replacements than a year earlier.

Based on the number of egg-type chicks hatched in July through December, 1980, there were about 7.5 million fewer pullet chicks hatched than a year earlier, Birth reports. In the period from January through May 13, 1981, about 4 million fewer hens were processed under federal inspection than a year earlier as compared with a decrease of about 9.5 million in the number of layers processed under federal inspection in the last half of 1980.

On Januaray 1, about 18 percent of the layers on farms, or about 53 million birds had been through a forced molt. By May 15, only 15.2 percent or about 42 million layers on farms had been force molted. This was about 9.8 million more force molted layers than a year earlier but less than the 12 million increase on farms on January 1. On May 1, 1980, there were 1.7 million more layers on farms than a year earlier. Increased force molting has more than offset the decrease in number of pullets housed.

Birth noted egg prices this year have averaged above prices of a year earlier, but not enough to offset the amount prices were below production costs. One of the uncertainties in the next six months, he pointed out, is the number of hens that will be forced molt. If force molting continues to increase, the laying flock could easily be as large or larger than a year earlier.

A smaller proportion of pullets will be in the nation's laying flock through the remainder of the year, Birth forecasts. This may reduce the rate of lay.

"More pullets were added to the nation's laying flock in the first half of 1980 from chicks hatched in the last half of 1979. This helped keep the rate of lay equal to a year earlier," he notes. "But, as more layers are housed in modern housing, the average rate of lay tends to increase."

Production costs will tend to increase, Birth assures. Trends in feed costs, the major component in the cost of producing eggs is uncertain, however. Much will depend on weather through the 1981 growing and harvesting season.

Another factor affecting costs, he points out, will be use of feed grains and exports. Beef and pork production may be down. Egg production may be about the same, while broiler production likely will increase.

Export markets have been siphoning off some of the eggs, Birth emphasizes. This has helped support prices and possibly delayed the reduction in output which is necessary to obtain prices which will return a profit for most of the industry.

"Since the majority of the eggs produced are under the control of fewer and fewer persons, it is more difficult to make the necessary adjustments in production to change from a loss to a profitable situation," Birth observes.

"The days are past of small farm flocks and low capital investment when farmers either initiated or expanded egg production when prices were profitable or reduced or discontinued production when prices were unfavorable.

"Today's modern facilities require an extremely large capital investment. This necessitates keeping the houses full — unless returns are expected to be less than variable-cash-costs for most of the remaining production life of the layers."

Last year the industry reacted more quickly to a high price-profit-situation than to a low-price-unprofitable situation, Birth explains. "It is much easier for a producer to decide to force molt layers and keep them in production for longer intervals than to dispose of layers that are in full production to curtail output," he says.

Necessary adjustments are up to the industry, Birth concludes. "The question is not whether prices will be higher than the last half of 1980 this summer, fall, and winter — but will they improve enough to offset losses of a year earlier plus higher production costs."

# State hearing to cover proposed mine reclamation fund

HARRISBURG — A proposal to establish a statewide surface mine reclamation fund will be among four coal-related topics to be discussed by the Pennsylvania Environmental Quality Board during a meeting in the Second Floor Hearing Room of the Fulton Bank Building, 200 North Third Street, Harrisburg, on Tuesday, July 21, at 9:30 a.m.

The EQB is a 21-member independent panel of executive agency officials, legislators and citizens charged with passing regulations to be administered by the Pennsylvania Department of Environmental Resources.

DER Secretary Clifford L. Jones said, "Establishment of a statewide surface mine reclamation fund is a very progressive step which will help us solve one of Pennsylvania's more serious environmental problems. This will be a great breakthrough which will provide DER with the money to go in and reclaim abandonded mine lands in the state, something the department did not have the funds to do before."

During the meeting the EQB also will discuss proposals pertaining to:

— The limitation of the length of the pit that can be opened during a surface mining operation.

— Bonding and insurance requirements for coal-mining operations within the state.

— Employee conflict-of-interest regulations.

DER will recommend that no action be taken on proposals pertaining to the length of the pit that can be opened and on the bonding and insurance requirements. These are to be included in permanent regulations to be adopted when the state gains "primacy," or takes over enforcement of the federal mining program within the Commonwealth.

DER will recommend adoption of the conflict-of-interest proposal intended to eliminate any direct or indirect financial interest from mining by DER employees involved in coal mining.

DER also will recommend that the EQB establish a $50 per acre permit fee for surface mining permits to finance establishment of the statewide reclamation fund. The nonrefundable fee is expected to raise approximately $1 million annually for reclamation purposes. The money would be available for reclaiming abandoned mine sites within the state.

Establishment of the permit fee to finance the statewide reclamation fund must be approved by th EQB.

Implementation of the reclamation fund would be accompanied by a reduction in the bonds strip mine operators now are required to post for newly permitted areas. Minimum bonds would be reduced from $4,000 to $3,000 per acre. The bonds are used to reclaim mine sites if the operators fail to do so. Under the present law, the bonds only can be used to reclaim the specific sites for which they were posted.

Jones, who is chairman of the EQB, said, "Implementation of the permit fee and its use will result in increased reclamation of areas for which inadequate bonds have been forfeited. It also will allow lower bonding rates for the coal mining industry.

"However, Pennsylvania's bonding rate still will be higher than those required in bordering coal states which have had reclamation funds. Now Pennsylvania, too, will have a reclamation fund."

# N.Y. receives marketing grant

NEW YORK, N.Y. — New York State will match $62,236 U.S. Department of Agriculture grant to help new and established export firms identify and develop export opportunities and conduct export trading more efficiently.

The project will review and propose improvements in the state's assistance to exporters. New York will cooperate with USDA's Foreign Agricultural Service and the Eastern U.S. Agriculture and Food Export Council in the project.

New York was one of four states to receive grants totaling $172,044. They were made under the federal-state marketing improvement program, which is administered by the USDA's Agricultural Marketing Service.