



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

October 20, 1976

POULTRY MEAT PRODUCTION UP

THE POULTRY INDUSTRY has responded to relatively favorable prices and lower feed costs earlier this year with increased output. Broiler production was up 14 percent for the first half of 1976. Estimates on the 1976 turkey crop indicate an increase of 11 percent over last year. Egg production has been up about 1 percent. This expanded production means more meat for consumers, a stronger demand for feed, and increased competition for red meat.

BROILERS. Broiler production is at a record level. For the first half of the year, production was about 9 percent above the previous record set in 1974. Output is close to 14 percent above 1975. The federally inspected slaughter of young chickens during August was up 19 percent from a year earlier. It was also 5 percent more than in July. Eggs in incubators and the number of eggs hatched still indicate an increase of 9 to 10 percent. Prices may weaken to the point that some reduction in the rate of increase will occur, but production for the rest of the year is likely to be up at least 8 to 10 percent. With this expanded output, broiler prices have remained relatively strong, although well under those of 1975. In July and August, the nine-city price of broilers averaged near 42 cents, about 8 cents below the figure for the previous year. Prices have now dropped under 40 cents, and are likely to average in the high 30's for the fourth quarter. But output of broiler meat will continue to be up in early 1977.

The per capita supply of broiler meat in 1975 was 36.9 pounds. The record high was 38.4 pounds in 1972; and for 1976, it will exceed 40 pounds.

TURKEY. The turkey crop for 1976 is estimated at 137.9 million. This is an 11-percent increase from 1975, and 4 percent above the previous record reached in 1973. With expanded production, turkey prices have been weaker this year. Storage stocks on August 31 were 10 percent larger than last year. Some seasonal price rise will occur this fall, but prices will probably average more than a nickel a pound lower than last year.

The per capita consumption of turkey meat was 8.6 pounds in 1975. The record level was 9 pounds, which occurred in 1972.

EGGS. Although egg production was up about 1 percent during the first half of the year, the August figure was a trifle under that of a year ago. The number of hens in laying flocks and the rate of lay were about the same as a year ago. With the relatively stable production, egg prices have been higher than in 1975.

In recent years, the trend in per capita egg consumption has been down. For 1975, egg consumption was estimated at 278 per person. By comparison, consumption during 1970 was estimated at 311 eggs per capita.

PROSPECTS. The greatly expanded supply of pork which has begun to come on the market will provide strong competition for the larger supplies of poultry meat. This competitive situation will result in lower prices for poultry and pork. The weaker prices will probably result in a cutback in poultry production for next year. An additional influence will be feed costs, which may be higher in 1977 than this year.

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