



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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POULTRY OUTPUT UP, DEMAND STRONG

U.S. BROILER AND TURKEY PRODUCTION reached record levels during 1976. Egg production was above the preceding year for the first time since 1971. The consumption of broilers was a record 41.7 pounds per capita. Turkey consumption was at an all time high of 9.1 pounds per person. Even though egg production increased, consumption during 1976 declined to a low of 271 eggs per capita--down 20 percent since 1960.

BROILERS. Despite rising production costs, due primarily to the high price of soybean meal, broiler production during the first quarter of 1977 continued at record levels. Certified wholesome broiler slaughter totaled 2.16 billion pounds during the January-March period--up 2 percent from a year ago. Even higher levels of broiler slaughter were anticipated, but were not realized because of death losses during the cold weather.

Broiler prices remained higher than anticipated because of winter losses and high pork prices. The 9-city average wholesale price of broilers was about 41 cents per pound during January-April--only 1 cent lower than last year.

Broiler-type egg placements indicate that broiler supplies will remain large through the summer. The number of eggs in incubators on May 1 totaled 271.8 million--up 4 percent from a year ago. Production may continue to run 5 percent above last year's level through next fall if crop prospects continue to indicate an easing of soybean meal prices.

Larger consumer incomes and reduced red meat supplies should hold broiler prices above first-quarter levels. A seasonal price rise is expected this summer, perhaps to an average of 44 cents. Prices are expected to decline in the last quarter of the year to an average in the low 40's--still about 6 cents above the fourth quarter last year.

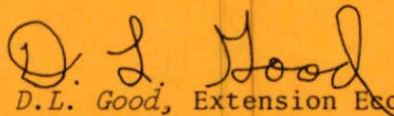
EGGS. From January through March, egg production lagged behind 1976 by 2 percent. Layer numbers were smaller than the previous year, and the rate of lay declined because of unusually cold weather. In April, the lay rate exceeded the figure for April 1976, and total monthly production equalled last year's output.

Egg prices through March remained well above year-ago levels because of reduced supplies. Prices have declined quite dramatically since Easter, and will average below 1976 levels for the April-June period.

Egg production is expected to increase during the remainder of 1977 and may exceed last year's annual total. The number of eggs placed in incubation during the first quarter exceeded last year's total by 8 percent. The hatch of egg-type chicks was 6 percent greater than during the first quarter of 1976. Rising egg prices are expected for the remainder of the year, but the average price for the last three quarters is likely to be well below the same period last year.

TURKEYS. Turkey meat production in January and February was below the 1976 record level, but gained sharply in March. As a result, turkey production was 1 percent larger during the first quarter than in the same period of 1976. Production increases are expected to continue through the remainder of the second quarter, but will probably drop below last year's output during the second half of 1977.

The wholesale price of turkeys in New York averaged slightly over 50 cents a pound during January-March. Prices are expected to average in the low to mid 50's for the remainder of the year--3 to 5 cents above last year's average.


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