

IS THERE A SURPLUS IN POULTRY?

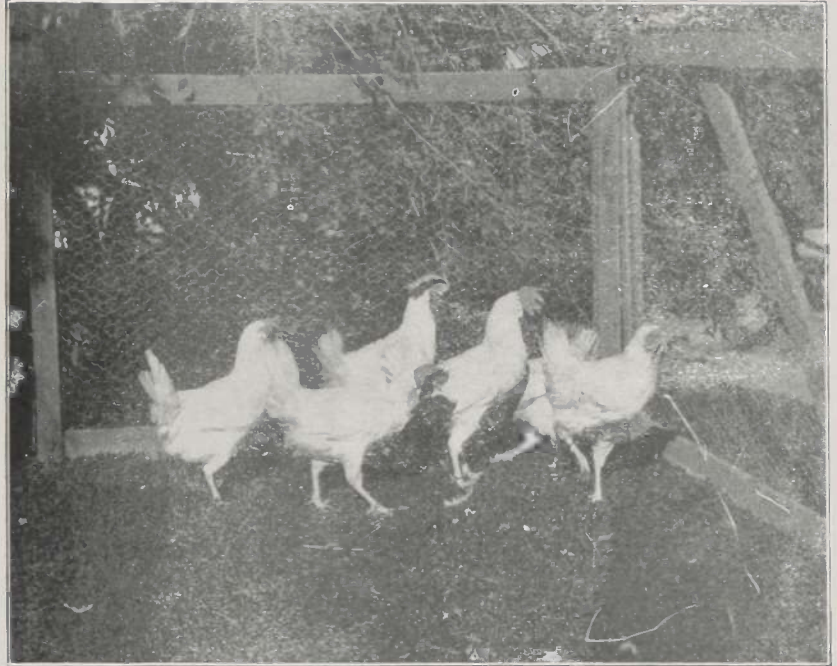
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Pointers On Poultry Situation In The United States; Suggestions For Reducing Overhead Cost Of Production

WHETHER or not there is a surplus in poultry or poultry products is a question in the minds of everyone who has the interest and the welfare of the poultryman at heart. Looking at the situation from a national standpoint, it seems that there is a surplus. This seems to be substantiated by the decreasing of prices throughout the entire country. This past winter there were 2,000,000 of cases of eggs in cold storage over and above what there has been heretofore at the same period. The Bureau of Economics at Washington tells us that the hen population has increased faster than the human population. Evidences, therefore point toward a surplus in poultry on a national basis.

Now let us consider the situation from the standpoint of the industry in Arizona. Contrary to the popular notion there is not a surplus of poultry and products being produced within the State boundaries. This is indicated by the fact that market exports show that carloads of eggs are still being shipped into Arizona. True, the State is getting all the eggs and poultry she needs, but they are not being produced within the State. It is also true that the national surplus has some influence upon poultry and egg prices in Arizona. However, in an 8,200 mile trip across the continent last summer, 1927, observations on egg prices indicated that Arizona eggs were retailing at a higher price than in any other state in the union. As the supply and demand sets prices this in itself is evidence that there is not a surplus produced within the State, that the national prices do not entirely fix Arizona prices; and that the consuming public prefer fresh home produced eggs to shipped in eggs.

How long will the Nation continue to produce a surplus of poultry products? Of course this is problematical. The Arizona Industrial Congress, after two years of investigation in one of the local cities found that any surplus set the price for the whole commodity. It did not matter whether this surplus represented one-tenth of one percent, or fifty percent of the



Good Hens Reduce Overhead Costs

entire product, the result was the same. This held true whether the surplus was a seasonable or a yearly surplus. What holds true for a city holds true for a State, or a nation, in this respect.

That there will be a readjustment back to the normal condition is certain for no industry can exist when the producers in that industry cannot get a price for their product above the cost of production.

Many of the smaller producers and those lacking capital to carry them over this temporary depression will be forced out. As these are forced out, the surplus will be reduced. When the surplus is entirely eliminated, prices will again be back to a normal condition. Inasmuch as any surplus sets the price on the whole commodity, and prices have dropped only during the last few months it would indicate the surplus is not great and a small percent of producers dropping out would again bring conditions back to normal.

What should the present producers do in order to tide them over this temporary depression? The most natural course would be to reduce overhead in order to lessen the cost of production. Experiments being conducted at the University of Ari-

zona indicate that resorting to the buying of feeds that are cheap in their initial cost will not reduce overhead, but will increase it. Buying cheaper stock to save money will not do it unless the higher producing stock can be bought cheaper. Experiments conducted at the above named Institution indicate that the better producing stock even though higher in initial cost, is really more economical. The construction of cheaper houses especially for the warmer parts of the State may be practical as experiments now in progress indicate. The enlarging of flocks up to the point where the present amount of help available can take care of the maximum number of fowls would reduce the overhead per dozen eggs and give a greater volume of dozens from which to make a profit.

Eliminating the competition of one poultryman with another on a given market, by joining together in associations, so that there is orderly marketing instead of disorderly marketing, would undoubtedly help to a considerable extent. The grading and candeling of eggs in order to compete with out of state competition would be a big step in the right direction.