

production. Marketings of both cattle and hogs will be heavier in the last half of 1947 than a year earlier.

The prospect of a business recession after mid-1947 makes it unlikely that there will be much demand for storage eggs during the spring months. Traders will be more cautious regarding forward commitments.

Export demand will decline to near pre-war levels during 1947. If foreign countries are forced to buy American dried eggs without the benefit of the various relief programs, it is likely that they will seek other sources of supply or shift to lower cost foods.

The over-all demand for both poultry and eggs will be somewhat lower in 1947 than a year earlier, with markets probably being much weaker in the last quarter of the year. This situation will be further aggravated if the anticipated business recession should materialize late in 1947.

Large Supplies in 1947

The number of layers on U. S. farms on January 1 will be about 10 percent smaller than a year earlier, and egg production will be down approximately the same amount. The carry-over of storage eggs this January 1 is about two million cases—about four times the normal carry-over. It is significant that many of these eggs are of low quality, particularly in the mid-west, and will likely go to drivers and breakers.

With a smaller proportion of current marketing likely to go into storage during the spring months, consumer supplies may be only moderately below those of 1946. Egg supplies in the last half are expected to be smaller than a year earlier.

Breeder production will undoubtedly continue large during the first half of 1947 in view of abundant feed supplies and reasonably favorable feeding ratios.

Smaller Supplies After 1947

The marked expansion of the poultry industry encouraged by wartime demand has now run its course. Most of it occurred in the corn belt states where the large number of small farms

flocks could be expanded easily and quickly. Some contraction is inevitable and unavoidable. The fundamental question is—what will be the nature of the adjustment and who will bear its brunt?

When feeding ratios narrow and profits don't come so easily, the producers who will be hit hardest will be the semi-commercial and commercial flock owners who have not succeeded in bringing costs down in line with lower prices.

Favorable price ratios during the last few years have encouraged many marginal poultrymen to expand production. While these producers are scattered throughout the United States, they tend to be more numerous in the corn belt. Many such producers carried poultry as a sideline enterprise. This entire group will be in a very vulnerable position in the years ahead. Much of the contraction will occur in such flocks.

The farm flock owner who increased his production facilities during the war will be the last to curtail. Unless such producers decide to become semi-commercial poultrymen, it seems inevitable that the size of these flocks will decline.

Planning for 1947

The year 1947 does not appear to be a good year to expand operations. Producers should find it profitable to maintain a high level of production, somewhat smaller than the last few years.

This is a good year to buy your chicks early. Feed them well through the spring and summer in order to hit the early fall markets. It will pay producers to buy quality chicks.

Feeding ratios should be favorable during most of 1947. It should be profitable to feed liberally in order to maintain a high rate of lay.

Keep a large proportion of pullets in your laying flocks. You should find this to be profitable during 1947.

Don't become discouraged if prices decline and profit margins narrow. This is a good year to plan for lower prices. Do those things now which will help you reduce costs. It will represent dollars in your pocket from here on.

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