

The Egg Market in 1916

The year 1916 was one of unusual activity in the egg trade as is clearly shown by the remarkable totals of exported eggs as well as resulting high prices at the end of the year. The direct cause of the present unprecedented price levels was the heavy demand in the British market for the Canadian product. These abnormal conditions have aroused much interest in the egg and poultry industry on the part of the consuming public, and therefore the following extract from a recent speech delivered at the Ottawa Winter Fair, by W. A. Brown, M. S. of the Live Stock Branch, Ottawa, is of much value.

Reviewing the trend of events that led to the present scarcity of eggs, Mr. Brown stated that Canadian storage holdings at the beginning of the year 1916 were not of sufficient quantity to supply the domestic demand, owing to the relatively large shipments of Canadian eggs, during the fall of 1915, and the result was a considerable movement of the United States eggs into Canada for consumption during January, February and March. "At first these imports consisted wholly of storage eggs," he continued, "but even before the end of January considerable quantities of fresh-gathered United States eggs were being offered on the larger Eastern markets. These came, for the most part, from the Southern States of Oklahoma and Tennessee, and were offered as early as the 15th of January on the Toronto Produce Exchange, at 36c, freight and duty paid. The market generally held firm throughout January, but, owing to the increasing receipts of fresh-gathered stock declined rapidly throughout February and early March. Occasionally at times the lowering price had the effect of stimulating consumption, and this would be apparent in a slightly firmer tone, although the general tendency was downward from a price of about 30c the first week in February to 25c and 27c the latter part of the month, until the lowest price of the year was reached about the third week in March. The market took a very radically downward turn about the 9th of March. This was a direct reflection of the sharp reaction occurring on the Chicago market about that time."

During the two weeks following, a very uncertain market prevailed. The tendency of the trade is to buy at the lowest price possible, and sell at the highest. Generally, early in March, with the opening up of the storage season, the probable future storage sales price is the basis which regulates the price of eggs. The tendency in the States last spring, following the heavy production of the previous year, was to keep the price down to below 20c. The visit to Canada and the Eastern United States markets along this time, of representatives of the largest British importing houses, however, and the general feeling of confidence created by their presence, and prospective buying, gave the market a very buoyant feeling, and the result was that, while some endeavored to keep the price down to its usual level, the general prospects for lucrative sale were so favorable that there ensued the wildest scramble for eggs on the part of the trade generally, that this country has ever seen.

The lateness of Easter week in 1916 also gave the market a firm tone at a time when it is generally weak. From a price of 20 to 21c in the last of March and the first of April, a steady advance took place throughout April and May, the price to producers advancing from 21 to 22c early in April to 25c the end of May throughout the Eastern markets generally. With the advent of hot weather, it was confidently expected that some reaction would take place, but the persistent export enquiry, and the generally favorable weather through June offset this, and prices continued steadily upward, and June eggs, and even early July eggs, were picked up quickly and placed in storage.

While the export movement of fresh-gathered eggs early in the spring was not large, several shipments aggregating from thirteen and fifteen hundred cases each went forward, and the price received was such as to further stiffen the market. In fact, during the latter part of June Canadian prices reached such a point that at least one car of fresh-gathered United States eggs were brought to Toronto for local consumption, and sold at a profit.

Despite the hot weather of July, prices continued to advance, 26 to 27½c being the prevailing quotation. Receipts of eggs continued large, many local points, in fact, reporting an increase over the previous year, but, on the other hand, however, local consumption was higher than ever before. In fact, one is safe in stating that the per capita consumption of eggs in Canada during 1916 was very much increased over previous years. This was due, without doubt, to the high price of meats and other ani-

mal food products, and the fact that, in many of the smaller villages and rural districts, it was practically impossible to get good fresh meat at any price during the hot weather. Another instance of this was evident in the Western Provinces this fall, when the meat ration of the majority of the threshing gangs consisted largely of eggs.

Fortunately for Canada, no attempt was made to move many Canadian eggs to the Old Country during the hot weather. Some went forward as late as the second week in July, but those that were shipped between that time and the first of September were largely United States eggs repacked in Canada. For the most these arrived in bad shape and the direct result has been that Canadian eggs have, for the last four or five months, been quoted on the British market at from five to ten cents a dozen above the United States product.

The heavy movement of Canadian eggs for export commenced about the last week in August, and gradually increased from a few thousand dozen per week until the maximum was reached during the last two weeks of October and the month of November. The exports for that time ran from eight hundred thousand to a million and a half dozen per week from the Port of Montreal alone.

Accurate information is not yet available as to the exact proportion of Canadian and United States eggs that went forward. It is common knowledge, however, that hundreds of cars of United States eggs were shipped which would undoubtedly have been Canadian product had the eggs been available in this country.

The export prices received were very high, ranging from a contract price of 33 or 34c for early fall shipments to as high as 42c, and even higher, for later shipments, and the general verdict with respect to the quality of the Canadian product has been very favorable indeed.

The large percentage of the Canadian holdings exported, and the phenomenal home demand for eggs had the effect of reducing the stocks in Canadian storage houses to a point far below the minimum usually held toward the latter part of the year. This condition, combined with the slackness of current receipts, owing to the lateness of the pullets of 1916, has had the result of giving Canada unprecedented winter prices this year, as high as a dollar a dozen being asked and paid for guaranteed new-laid eggs on some of the larger Eastern markets.

Conditions with respect to production improved a little during Christmas week and the first week in January of this year, but the continued cold weather since has given production somewhat of a setback. Although mild conditions have prevailed generally throughout the Southern States, their production this year is not nearly as large as last, the result is that the market generally in Canada continues firm, with the possible exception of British Columbia, where receipts of California eggs have brought the price down to about 45c.

Naturally, following such a season and the fact that the export demand still continues, the outlook for 1917 is particularly favorable. Of course, the continuation of high prices is more or less contingent upon the conclusion of the war but, even so, it is not expected that in the matter of live stock and live stock products any serious reaction will occur and any falling off occurring in prices will probably be gradual.

FLOUR MILLS OPPOSE C. P. R.'S FREIGHT PROPOSAL.

Montreal flour millers are actively opposing the new order issued recently by the C. P. R., cancelling the milling in transit arrangement now in effect at Montreal when the product, flour, meal, etc., is re-shipped from Montreal on Canadian Government Railways, either for domestic consumption in the Maritime Provinces or for consignment to Halifax for export.

As far as the railway is concerned the change is simply a matter of obtaining adequate rates for carrying the freight. To the flour millers of this city, however, it is a far-reaching matter. In view of the fact that the cancellation of these privileges will give the Ontario mills a distinct advantage over the Montreal industry, the local millers have referred the matter to the Railway Commission. The decision of the Commission will likely be announced sometime before March 3 when the new regulations go into effect according to the present ruling.

MONTREAL DAIRY PRODUCE STOCKS.

Stocks of creamery butter in store in Montreal on February 1, amounted to 48,763 packages, a decline of 10,790 packages for the month of January. As local holdings to date amount to nearly one thousand packages over last year's at this time, in spite of the fears that supplies would be insufficient to see us through the winter, it is obvious that the prevailing high prices are curtailing consumption. The following statistical review of the consumption of butter in the beginning months of 1916, let in a little light on present conditions.

	Jan.	1916, Feb.	March.	April.
	pkgs.	pkgs.	pkgs.	pkgs.
Stock on first				
of month ..	69,584	51,303	35,721	15,388
Receipts ..	4,213	2,567	3,794	18,323
Local distribution.	21,341	16,076	25,667	21,369

In January 1916, receipts of butter to Montreal amounted to 48,763 packages, which with the decrease in holdings of local distribution to 17,916 pkgs. Whether consumption will be sufficient to influence prices depends entirely on the demand from outside points, which dealers are counting on this month.

Cheese stocks both in Canada and England have declined materially as indicated by the following tables.

Montreal Stocks.

	Jan. 1, 1917.	Feb. 1, 1917.	Feb. 1, 1916.
Butter—			
Creamery, pkgs.	48,763	59,553	47,976
Dairy, pkgs.	1,410	1,625	3,327
Cheese, boxes.	17,807	64,784	24,336
Eggs—			
Fresh, cases	359	701	191
Cold storage.	5,180	30,707	8,192

English Cheese Stocks.

CANADIAN.

	Feb. 1, 1917.	Jan. 1, 1917.	Feb. 1, 1916.
	boxes.	boxes.	boxes.
Liverpool.	21,000	63,000	32,000
London.	51,000	81,000	60,000
Bristol	28,000	29,000	32,000
Total.	100,000	173,000	124,000

THE METAL MARKETS.

Business in metal circles has been restricted of late owing to the shortage of materials including certain finished steel products, coal and oil. Considerable difficulty is being met with in obtaining package goods. Still further advances are taking place in the price of steel commodities. A rise is already reported in the price of bolts, and another advance is looked for in connection with iron pipe and horseshoes. Quotations on imported sheets and plates are nominal as stocks are so low that a premium is asked for large orders. Norway iron has been advanced 10c a pound by one leading firm. American mills appear to be falling behind owing to the difficulty in securing supplies. Coke in particular is scarce, for which fancy prices as high as \$10 or \$12 are being paid today, although some of the mills are holding contracts as low as \$3 or \$4. Restricted output naturally is having the effect of keeping the market for pig iron very firm and quotations are purely nominal. Jobbers who are fairly well stocked up are now reaping the benefit of their foresight, as traffic conditions are likely to hinder the mills in making deliveries for some time. There appears to be more or less a disposition to watch the trend of affairs at present without making any forecast as to the future.

Recent advices from Pittsburgh are to the effect that the car shortage is materially hampering trade. General conditions in the steel trade have quieted considerably. Buying is light, and specifications against contracts in some lines—notably sheets and steel bars—have fallen off. Reports are also that some large contracts for rolling-mill and steel-works equipment have recently been postponed and that little new business of this kind is being placed. One Eastern steel company is reported to have canceled or postponed about \$5,000,000 worth of steel-works equipment, including a plate mill that was to have cost over \$2,000,000. For the first time in many months, it is believed that shipment of some mills are possibly slightly in excess of new orders. The supply of semi-finished steel is still much below the needs of the trade, and likely will be for some time. Prompt semi-finished steel can hardly be had at any price, and consumers are suffering because of slow deliveries by the mills. There was little change in prices the past week, and the market on everything is as strong as it has been, with the exception of scrap, which is neglected.