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Questions and Answers on Marketing Eggs

NEBRASKA FARM PRICES FOR POULTRY AND EGGS 1910-1931

The University of Nebraska Agricultural College Extension Service and United States Department of Agriculture Co-operating
W.H. Brokaw, Director, Lincoln
Questions and Answers on Marketing Eggs

BY J. R. REDDITT

1. What is the approximate size of the nation's annual egg business?
   A. Approximately two billion dozen which have been valued at well over half a billion dollars but now worth about a quarter of a billion.

2. In what states is the great surplus of eggs produced?
   A. In the grain belt states of the middle west. These states are almost strictly agricultural and have a surplus egg producing flock on practically every farm.

3. How do the Pacific Coast egg producers dominate the eastern egg markets?
   A. On the Pacific Coast, poultry and egg production is an important business and is conducted in a business like way. Eggs are from large flocks efficiently and uniformly managed. Such eggs are of uniform high quality. They are graded according to strict standards and are usually put under refrigeration the day they are laid and before any deterioration can begin. The uniform quality of these eggs makes it much easier to merchandize them efficiently.

4. What is the greatest factor in determining the market value of eggs and why?
   A. Interior quality. Eggs are highly perishable and unless handled properly from the time they are laid, will spoil before they reach the consumer.

5. How may we produce eggs of the highest quality?
   A. (1) Through proper production methods on the farm. (2) Through efficient marketing.

6. Briefly, what is included in proper production methods?
   A. (1) Large flocks of healthy hens. (2) Clean and comfortable houses, yards and equipment. (3) Clean, wholesome and complete rations. (4) Uniform management that will insure standard sized, strong shelled, infertile, clean eggs. (5) A suitable place to store eggs where they will not deteriorate in quality. (6) A marketing system that will start them on their way to the consumer with assurance of arriving in a high quality condition.

7. What are the essentials of an efficient system of marketing eggs?
   A. (1) A large volume—to reduce overhead per unit and justify use of most efficient equipment. (2) Assembling for grading, packing, and shipping. This should be done as soon after eggs are laid as possible. (3) Refrigeration—to prevent loss of quality. No food product is more nutritious yet more highly perishable than eggs, and refrigeration for conserving quality is, therefore, very essential in the egg business. (4) Grading and packing—to stimulate sales through improved and uniform appearance and to establish consumer confidence. The grade is the buyer's way of knowing the degree of quality. (5) Packing and shipping—to insure safe arrival and prevent loss from breakage. Packing must apply to the case as well as to the carload. Shipping must be by refrigerator cars and it must be done promptly.
(6) Storage—orderly marketing requires that the surplus in the spring months be stored for use later during the period of low production. Storage must be efficient. It must conserve quality at low costs.

(7) Selling and distribution—by most direct and efficient method, the method that will return the producers satisfactory prices in the shortest time and satisfy consumers on both price and quality. The shortest route from producer to consumer is usually the best.

(8) Financing—to cover costs of marketing services such as assembling, refrigeration, grading, packing, shipping, etc.

(9) Risk assumption—the risk of ownership is a necessary service of marketing that someone must assume.

8. What are the usual channels through which eggs are marketed?
   A. From the producer—country store—and local buyer—packer or shipper—wholesale egg dealer—cold storage warehouse—jobber—retailer—consumer.

9. In what manner does this method of marketing differ from cooperative marketing?
   A. The route from producer to consumer is more direct in cooperative marketing. Eggs go from producer—cooperative receiving station—cooperative distributing station—retailer—consumer.

10. If cooperative marketing is a more direct method of marketing, why has it made such slow progress in the middle west?
    A. In the first place, poultry is a side line project and the flocks are usually too small to provide the volume necessary to insure efficient operation of a cooperative. In the second place, producers lack information, experience, and facilities for performing the services of marketing—and these services must be performed regardless of who does the marketing. (See answers to question 7 for services of marketing.)

11. Does it pay individuals to ship eggs to eastern markets?
    A. Yes, when prices are firm or advancing, providing their flocks are large enough to produce two-case shipments twice a week, and the eggs are of high quality.

12. How are such shipments made, by freight or express?
    A. By fast refrigerator freight.

13. How are less than carload (L. C. L.) shipments trucked to central shipping points where full carloads are assembled from the small shipments?
    A. This assembling and refrigerator freight service has enabled Nebraska flock owners to sell eggs in New York City at costs of five cents per dozen. Costs covered cases, fillers, transportation, and commission. (For additional details write Poultry Department, Agricultural College at Lincoln.)

14. How can small flock owners gathering one case of eggs per week take advantage of this method of selling eggs?
    A. By forming small community egg circles for the purpose of making cooperative shipments.

15. To whom are such shipments sent?
    A. Commission merchants located in the community in which distribution is desired. The Poultry Department, Agricultural
College will forward the names of commission merchants if desired.

16. How are eggs packed for shipment?
   A. In packing eggs for shipment, new cases and new fillers with
cupped flats are used. Two flats are put at the bottom and top
of each case. Eggs are put into fillers with small end down.
Lids are nailed at ends only, four nails in each end. Shipping
labels are tacked to the ends of cases.

17. Should eggs be graded for shipment?
   A. Yes, all eggs should be fresh, clean, of uniform standard size,
shape, and color, and have strong shells.

18. Who grades the eggs for shipment?
   A. Shippers grade their own eggs.

19. What are the recognized market grades of eggs?
   A. The U. S. Department of Agriculture includes six grades in
recommendations covering egg grading, namely: U. S. Special,
Dirties, and U. S. Trade Dirties. These are suggested as stand-
ard grades for all markets. For the most part, each market
has its own grades.

20. What are the requirements of U. S. Extras?
   A. The U. S. Extras must meet the following requirements:
Size—24 ounces per dozen (average weight). Minimum weight
for individual egg 22 ounces.
Shell—clean and sound.
Air Cell—2/8 inch or less in depth, localized, regular.
Yolk—dimly visible.
White—firm, clear. Candling will be necessary to determine
Germ—not visible. these points.

21. What is the commission charged at terminal markets for selling
   eggs?
   A. Usually about five per cent of the value of the eggs.

22. Is it practical and profitable for large flock owners to store eggs
    from spring to fall?
   A. Storage is a necessary function but is speculative which means
that it is sometimes profitable and sometimes less so. Mer-
chandizing storage eggs during the deficit production period
calls for good business judgment.

23. What is the cost of storing eggs under refrigeration?
   A. This depends upon the number of cases stored. For small lots
the costs are approximately 16 cents per case for the first month
and eight cents per case for each month thereafter.

24. How long are eggs kept under refrigeration?
   A. Usually six to nine months covers the period of low production
sufficiently to make longer holding unnecessary and expensive.

25. How do cold storage or refrigerated eggs compare with fresh eggs?
   A. When eggs of high quality are stored, they come out of storage
the same way, providing proper storage conditions were main-
tained.

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