

MARKETING PRACTICES *and* FACILITIES *of* SELECTED BUYERS *of* EGGS *in* ALABAMA, 1947-1948



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MARKETING PRACTICES *and* FACILITIES *of* SELECTED BUYERS *of* EGGS *in* ALABAMA, 1947-1948¹

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INTRODUCTION

ALABAMA FARMERS sold an average of 25 million dollars worth of poultry and eggs in 1947 and 1948.² Total egg production was 622 million eggs in each of these years.³ Approximately three-fifths of this production was sold for an average of 14.5 million dollars per year. Alabama's egg production in 1947 and 1948 was equivalent to about 220 eggs per capita.

Egg consumption averaged 380 per capita in the United States during that period. If the average per capita consumption of eggs in Alabama during that period had been the same as that of the country as a whole, these data indicate that, even if all Alabama-produced eggs had been consumed within the State, it would have been necessary to have obtained about 160 eggs per capita from other areas to supply Alabama consumers during each of the years 1947 and 1948.

Approximately a fourth of the eggs sold by Alabama farmers in 1947 and 1948 were sold direct to consumers. Remaining sales were made to many types of buyers including country stores, city stores, rolling stores, and hucksters.⁴ Some of the eggs sold to these buyers were resold to consumers in local markets. During certain seasons of each year, however, more local eggs were bought by some buyers than could be resold in local trade areas. In such cases, surplus eggs either went into storage or were moved out of local areas to other markets.

¹This study was supported by funds provided by the Agricultural Research and Marketing Act of 1946 and by State research funds.

²"Farm Production, Disposition, Cash Receipts and Gross Income, Chickens and Eggs, 1947-48." Bureau of Agricultural Economics, United States Department of Agriculture. April 1949.

³"Alabama Agricultural Statistics." Alabama Cooperative Crop Reporting Service. p. 30. February 1950.

⁴Blackstone, J. H. "Egg Production and Marketing Practices in Alabama." Alabama Agricultural Experiment Station Bulletin No. 275. June 1950.

PURPOSE OF THE STUDY

Prior to 1948, little information was available as to how Alabama farmers disposed of their eggs or to whom sales were made. Neither was there much information available as to how buyers purchased eggs, how often they collected them, nor how they assembled, graded and stored them. Little was known about the relative importance of egg buying and selling as related to the total volume of business of buyers, or of the care that buyers gave to protect the quality of eggs they handled.

This report deals with these and other egg marketing practices and problems of egg buyers in Alabama. The study on which this report is based was part of an over-all regional poultry and egg marketing research project in which nine southern states and the United States Department of Agriculture cooperated.⁵ The main objectives of this phase of the study were: (1) To determine the buying, holding, selling, and other related egg marketing practices of buyers; (2) to determine both the strong and weak points of present practices as related to buyers' needs; and (3) to relate these findings to improved marketing practices, techniques, and procedures. This particular report deals with egg marketing practices and problems found among selected buyers in Alabama in 1947 and 1948. It presents data that show how eggs were collected from producers, the percentage of eggs that remained in local trade areas, and the movement of eggs to other markets.

METHOD OF STUDY

For purposes of this study, first buyers of eggs were designated as those who bought eggs direct from producers for resale in their original form. Consumers, cafes, hotels, hospitals, and others that bought eggs from producers for their own use rather than for resale were omitted in order to limit the study to those buyers that would likely handle most of the seasonal surplus of eggs.

The Bureau of Agricultural Economics, United States Department of Agriculture, provided the plan for sampling. The buyers studied were selected from those buyers who bought eggs in 1947 from rural families who were included in a master sample

⁵ The nine southern states cooperating in the over-all regional poultry and egg marketing project are: Alabama, Arkansas, Georgia, Louisiana, Mississippi, South Carolina, Tennessee, Texas, and Virginia.

study.⁶ The questionnaire used for the State study was designed by a regional committee. First buyers were contacted by personal interview. In order to reduce the sample to a size that could be handled by available personnel and facilities, only one out of every two country and city stores named as buyers by rural families was studied. The country and city stores studied were selected at random within each county. All other buyers named by rural families were studied without a reduction in the size of sample, with the exception that hatcheries were omitted because all of those named were located out of the State. In tabulating and analyzing the data collected, statistical adjustments were necessary to correct for disproportionate sampling and to properly weight the different types of buyers studied.

For the State as a whole, no attempt was made to secure a completely representative sample of all types of egg buyers other than first buyers. Even the sample of these buyers may not have been fully representative. Most of the variations in assembling and handling practices of first buyers, however, are included as practices of those buyers that were studied. Such egg handling agencies as central-market handlers who did not buy eggs direct from producers were omitted from the study.

NUMBER AND TYPE OF BUYERS

The 203 first buyers studied were located in 25 Alabama counties, and were well scattered over the State. They included country stores, city stores, chain stores, rolling stores, produce dealers, cooperatives, feed and seed stores, and "other" types of buyers. Actually, "other" was a modified type of city-country store. Many buyers operated one or more rolling stores in conjunction with some other type of business. The rolling stores that were studied, however, were not a part of some other type of business. For purposes of this study, first buyers were classified in three groups — country stores, city stores, and all other buyers. Country stores made up 60 per cent of the total, city stores 33 per cent, and all other buyers 7 per cent.

⁶In a study of 914 rural families, the names and addresses of all buyers to whom these families sold eggs were recorded. The buyers studied were limited to a group selected from this list. See Alabama Agricultural Experiment Station Bulletin No. 275, "Egg Production and Marketing Practices in Alabama." June 1950.

RELATIVE IMPORTANCE OF EGG BUSINESS

Egg sales represented only a small part of the total volume of business handled by most first buyers. In many instances, buying and selling eggs was a side line enterprise. To a fifth of the buyers, egg sales represented less than 1 per cent of the total volume of their business, Table 1.

TABLE 1. DISTRIBUTION OF BUYERS BY PERCENTAGE OF TOTAL BUSINESS REPRESENTED BY EGG SALES, 203 FIRST BUYERS, ALABAMA, 1947¹

Percentage of total business represented by egg sales	Kind of first buyers			
	Country stores	City stores	All others	Average
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Less than 1 per cent	23	18	7	20
1 - 4 per cent	47	64	27	51
5 - 10 per cent	18	12	20	16
11 per cent or more	12	6	46	13
TOTAL	100	100	100	100

¹ Actual number of first buyers studied was 109. This number was adjusted to 203 to correct for disproportionate sampling.

Egg sales accounted for one-tenth or less of the total volume of business of 87 per cent of all buyers. Where egg sales accounted for more than 10 per cent of the business, buyers were usually in either the poultry and egg business or some closely related type of business, such as feed and seed stores, cooperatives, and produce dealers, or were relatively large country or city stores that placed major emphasis upon poultry and egg purchases and sales.

Purchases of local eggs by first buyers averaged about 500 cases each in 1947, or approximately 9½ cases per week. Average weekly purchases varied among buyers from less than 1 to more than 200 cases. Individual buyer reports, however, often were more informative than the average or the range. Many buyers tended to purchase no more eggs than could be sold at retail locally. Seventy-six per cent reported no direct movement of eggs to other markets. A grouping of buyers according to average weekly purchases of eggs indicated that more than a third bought less than one case a week, Table 2. Eighty-one per cent of the buyers in this group were country stores, and 16 per cent were city stores.

TABLE 2. DISTRIBUTION OF BUYERS BY WEEKLY RANGE IN PURCHASES OF LOCAL EGGS, 203 FIRST BUYERS, ALABAMA, 1947

Weekly range in cases of eggs bought ¹	Kind of first buyers			
	Country stores	City stores	All others	Average
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Less than 1 case	49	18	13	36
1 - 4 cases	36	46	40	39
5 - 10 cases	7	15	14	10
11 - 25 cases	6	15	13	10
26 cases or more	2	6	20	5
TOTAL	100	100	100	100

¹ A case contains 30 dozen eggs.

On the basis of number of cases of local eggs bought in 1947, country stores averaged about 3 cases per week, city stores 9 cases, and all other buyers 35 cases. Since this study was limited to those buyers who purchased eggs from producers living in the open country, only stores in small cities were included. Consequently, the data reported herein for city stores will not necessarily be representative of the volume of egg business handled by stores in large cities.

METHODS OF PURCHASING EGGS

Local eggs were purchased on both a cash and "trade"⁷ basis. Of the first buyers studied, 15 per cent bought all eggs for cash, and 12 per cent bought only in "trade." The remaining 73 per cent purchased for both cash and "trade," Table 3.

The combinations of cash and "trade" that were used varied by kind of buyers, degree of competition, season of the year, and many other factors. Some buyers had nothing to sell egg producers and were interested only in buying eggs. With other buyers, making a sale to a producer was more important than buying eggs. Two-thirds of the buyers reported that half or more of all eggs purchased were obtained through "trade." On a volume basis, however, only about half of all eggs bought from producers were obtained through "trade," since large buyers usually bought on a cash basis. There were occasional differences in the buying methods used by different branches of the same business. For instance, some country stores bought eggs on both

⁷ The term "trade" denotes an exchange of merchandise for eggs rather than paying for eggs in cash.

TABLE 3. DISTRIBUTION OF BUYERS BY PROPORTION OF EGGS BOUGHT FOR CASH OR "TRADE," 203 FIRST BUYERS, ALABAMA, 1947

Method of purchase	Kind of first buyers			
	Country stores	City stores	All others	Average
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
All "trade"	18	0	13	12
1 - 19 per cent cash, remainder "trade"	34	21	14	28
20 - 39 per cent cash, remainder "trade"	19	18	0	18
40 - 59 per cent cash, remainder "trade"	12	31	0	17
60 - 79 per cent cash, remainder "trade"	5	3	0	4
80 - 99 per cent cash, remainder "trade"	2	12	13	6
All cash	10	15	60	15
TOTAL	100	100	100	100

a cash and "trade" basis at the store, but only on a "trade" basis by rolling stores they operated. As used in this report, the combination of store and rolling store was considered as one operation, and, therefore, was handled as one business.

OPERATION OF EGG ROUTES

Only 5 per cent of the first buyers of eggs operated egg-collecting routes.⁸ Of the buyers who operated egg routes, some picked up eggs only once a week, and others twice a week. This practice varied somewhat by seasons of the year.

Buyers operating egg routes averaged five different routes. In some instances, this meant the same truck operated on a different route each day of the week. In other instances, more than one truck was used to collect eggs for the same buyer. In April, 1947, route collections of eggs were 3 times as heavy as those in the month of November of the same year. The number of customers selling eggs on these routes was only 3 per cent greater in April than in November. The total mileage driven in April was 20 per cent greater than that in November. Of the buyers who operated egg routes, 60 per cent used covered trucks, and

⁸ Does not include rolling stores, inasmuch as they were considered as operating general trade routes rather than egg routes. Twenty-two country or city stores operated a total of 67 rolling stores; these were considered as parts of the country or city stores studied.

40 per cent used open trucks. All route-collection buyers used egg cases as containers.

Some of the buyers who operated egg-collecting routes also operated wholesale and/or retail selling routes. In addition, some buyers, while not using regular routes in collecting eggs from producers, were operating selling routes. In all, 6 per cent of the first buyers operated wholesale routes, and 2 per cent operated retail routes. Retail routes were minor, however, and their volume of business was small.

All wholesale routes studied were operated throughout 1947. For a study of the seasonal variations in the volume of business handled on these routes, the months of April and November were used. Total mileage driven in each month was the same. However, 10 per cent more customers were served in April than in November. Of all the eggs sold in these 2 months, 59 per cent were sold in April and 41 per cent in November. The reduction in number of customers and in volume of sales on wholesale routes in November as compared to April was largely due to the inability of buyers to purchase sufficient local eggs from producers to meet all customers' needs.

SOURCE OF MARKET NEWS AND BASIS OF QUOTING PRICES

Practically all first buyers reported that market news of some type relating to egg prices was available. The frequency with which market information was available, however, was not determined. Principal sources of market news were word of mouth and reports from local stores. Other sources, in order of importance, were central-wholesalers, radio and newspapers, newspapers only, radio only, trade papers, and combinations of radio and central-wholesalers. More than a third of all first buyers reported their principal source of market news was word of mouth. All country and city stores reported receiving market news from some source. However, 13 per cent of "all other buyers" reported that they did not receive market news from any source.

Buyers were asked how prices paid producers were determined. Answers varied widely, but were grouped under one of five general headings. Buyer prices or local competition was given as the basis of quoting prices by half of the buyers, Table 4.

TABLE 4. DISTRIBUTION OF BUYERS BY BASIS OF QUOTING PRICES FOR LOCAL EGGS, 203 FIRST BUYERS, ALABAMA, 1947

Basis of quoting prices	Kind of first buyers			
	Country stores	City stores	All others	Average
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Local prices or competition	54	49	33	51
Discounted from expected selling price	18	18	40	20
Discounted from buyers guaranteed price	23	18	7	20
Wholesale quotations	5	12	20	8
Newspaper market reports	0	3	0	1
TOTAL	100	100	100	100

Some first buyers bought all local eggs available. Those not sold to local consumers were sold to other agencies. These agencies sometimes would inform buyers that they would pay given prices for eggs purchased in a given period of time. This enabled first buyers to set their prices by discounting from the agencies' guaranteed prices. In other instances, these agencies quoted prices they expected to be able to pay. First buyers then discounted from these expected resale prices to determine the local prices that they would pay producers. In the first case, first buyers discounted from a guaranteed price; in the second case, they discounted from an expected price.

METHODS OF HANDLING EGGS

Practically all first buyers bought eggs as "current receipts." Only a small percentage bought eggs on a graded basis. While not buying graded eggs, a few buyers did grade before reselling. As a whole, very few buyers refrigerated, cleaned, candled, or packed eggs in cartons, Table 5.

The length of time that unrefrigerated eggs were held by first buyers before being sold varied from 1 to 10 days and averaged about 3 days. Eggs sold in large volume were packaged in cases; those sold in small lots to consumers were usually packaged in paper sacks. In some instances, egg cases were furnished by first buyers; in others, they were furnished by the agency that was buying eggs from the first buyers. Those buyers who candled only a part of the eggs purchased did this during the spring and summer months only; during that period they frequently candled

TABLE 5. PERCENTAGE OF BUYERS PERFORMING SPECIFIED PRACTICES WITH EGGS PURCHASED, 203 FIRST BUYERS, ALABAMA, 1947

Practice	Percentage of buyers performing specified practices with all eggs	Percentage of buyers performing specified practices with part of eggs	Range in percentage of eggs handled by buyers performing specified practices with part of eggs
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Bought eggs on a graded basis	1	0	—
Graded eggs before selling	2	3	20-65
Refrigerated eggs	0	4	3-38
Cleaned stained or dirty eggs	0	10	2-29
Sold eggs in cartons	0	1	14-18
Candled eggs	3	17	4-67

eggs only from those producers whose practices were expected to yield inferior eggs.

Practically all first buyers reported that they had the facilities available for handling a larger volume of eggs than they were currently buying. To most buyers, this meant allotting more floor or counter space for holding purchased eggs until they were sold to local customers, or until they were picked up by an egg-collecting agency or a wholesale house. Most buyers could finance the buying of more local eggs if producers had them for sale. Buyers, however, were more interested in year-round purchases from local producers than in increasing their volume during the surplus period in the spring.

All first buyers bought eggs from local producers, and most of them bought from no other local source. However, a few buyers made additional purchases from such other sources as country stores and rolling stores. Approximately 78 per cent of all local eggs bought by first buyers were purchased direct from local producers.

City stores bought 41 per cent of all local eggs purchased by first buyers.⁹ Country stores bought 25 per cent of the local eggs, and all other buyers bought 34 per cent. Included with the purchases of country and city stores were the purchases made by rolling stores operated in conjunction with some of these businesses.

⁹ The percentage of eggs bought by the buyers shown in this report will not check with the distribution of all eggs sold by producers because all buyers to whom producers made sales were not studied. For instance, approximately a fourth of the eggs sold by rural producers were sold direct to consumers, but consumers were not included in the study.

Only 2 per cent of the country stores studied bought local eggs directly from sources other than producers. Country stores bought local eggs when producers had them available, but with few exceptions made no effort to secure eggs at other times. Only 18 per cent of the city stores bought local eggs directly from sources other than producers, obtaining 16 per cent of their local eggs from such other sources. Buying practices varied among other kinds of first buyers.

Of all local eggs handled by first buyers in 1947, less than 1 per cent were lost due to breakage or spoilage. Moreover, only a third of the buyers reported losses. Since most buyers did not candle eggs either before buying or reselling, the total amount of spoilage is unknown. No doubt some spoilage was passed on by first buyers to other agencies and to consumers. Of the buyers reporting egg losses, 15 per cent reported losses in both the spring and summer, 55 per cent reported losses in the summer only, and 30 per cent reported losses throughout the year.

Eggs bought by local first buyers less losses were resold. Most first buyers preferred to sell all local eggs purchased to local consumers. At some seasons of the year, this was possible. During other seasons, buyers had more local eggs than could be sold direct to local consumers. In such cases, surplus eggs were moved to other markets or were sold to other local agencies. Of all local eggs bought by first buyers in 1947, only 18 per cent were sold by them direct to local consumers. A fourth of the buyers moved some of their eggs direct to other markets. Most local sales to non-consumers were to agencies that assembled eggs in quantities large enough to justify movement to other markets. Country stores sold consumers a fifth of the local eggs that they purchased, Table 6. Rolling stores sold very few eggs direct to consumers.

While all country stores sold a fifth of the eggs bought to consumers, almost half of the country stores sold all eggs purchased to consumers, but restricted purchases to expected consumer sales. The remaining country stores purchased all eggs offered them. Of this group, 88 per cent filled local consumer needs, and then sold their remaining eggs to other buyers; 12 per cent made no sales to consumers, but sold to local agencies or shipped eggs to markets outside the local trade areas.

All city stores made sales to local consumers. Only a third restricted purchases to expected local sales. The remaining two-

TABLE 6. PERCENTAGE OF LOCAL EGGS SOLD TO VARIOUS OUTLETS BY KIND OF BUYER, 203 FIRST BUYERS, ALABAMA, 1947

Source of sale	Kind of first buyers			Average
	Country stores	City stores	All others	
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Central wholesalers	32	2	50	26
Retail stores	10	37	18	24
Produce dealers	32	29	4	21
Consumers	21	20	13	18
Others	5	12	15	11
Institutions	0	0	¹	¹
TOTAL	100	100	100	100

¹ Less than 1 per cent.

thirds purchased most of the eggs that were offered them; those not needed for local consumers were sold to other buyers. The buying and selling practices of stores in small cities probably do not apply to stores in large cities.

Three-fifths of the first buyers handled local eggs only. The remaining two-fifths bought both local eggs and those that were shipped¹⁰ into local markets. Some buyers imported eggs during almost all months of the year. In some cases this was necessary, even when local eggs were available, in order to get the quality eggs desired by local consumers. In 1947, egg inshipments amounted to about 11 per cent of all eggs handled. Of all inshipments handled by buyers, only 1 per cent of imported eggs were reported as broken or spoiled. Losses varied by seasons of inshipment.

Of the buyers handling shipped-in eggs, 91 per cent bought eggs from within Alabama. These eggs often originated out of the State. All that buyers knew about them was that they bought them from agencies located outside their local trade areas. Two per cent of all buyers imported eggs from an adjoining state; 7 per cent imported eggs from more than one state. Buyers listed Florida, Kansas, Missouri, Nevada, Tennessee, Georgia, and Illinois as states from which they received eggs. Since the study was confined to first buyers of eggs, it provides incomplete information on total inshipments of eggs for the State.

About 19 per cent of the eggs shipped into local areas by first buyers in 1947 were sold direct to local consumers. The remain-

¹⁰ In this report, all eggs that did not originate within a local trade area were classified as shipped-in eggs.

ing 81 per cent were sold to other local retail outlets for resale. Some 93 per cent of the buyers who imported eggs made retail sales to consumers. No eggs shipped into an area had to be shipped out of that area at a later date. Imported eggs largely were not in competition with local eggs, but were brought in to fill a need when the supply of local eggs was short. Since many small stores did without eggs except when local production was available, it would be difficult to determine the State's actual needs for shipped-in eggs.

SEASONAL PURCHASES AND DISPOSITION OF EGGS, 1948

PURCHASES. In March 1948, 96 per cent of the first buyers were buying local eggs. Those not buying were usually avoiding the eggs offered for sale because of quality; or, they were small stores located in rural areas that had no consumer demand for eggs during the spring months. During the fall and winter months, a fourth to a third of the buyers purchased no local eggs largely because no local producers had eggs to sell during those two seasons of the year other than direct to consumers. In 1948, city stores bought 36 per cent of all local eggs, country stores 27 per cent, and "all other buyers" 37 per cent.

Approximately two-thirds of all eggs handled by first buyers were purchased as local eggs in 1948. However, purchases of local eggs showed considerable seasonality during the year. Three-fifths of the local eggs handled by first buyers were purchased during March, April, and May. A fourth of all local eggs handled throughout the year were purchased in the month of March; April purchases were almost equal to those of March. Seventy-eight per cent of all local eggs handled were purchased direct from producers. First buyers purchased 22 per cent of the local eggs from country stores, rolling stores, hucksters, and other agencies — largely during the spring months. Some first buyers entered the market for only short periods during the spring surplus period; this was particularly true of hucksters and some produce dealers.

Throughout 1948, most first buyers bought practically all local eggs offered them. In addition, some shipments were made into local areas during every month of the year. A third of all eggs available in local areas in 1948 were shipped in. Imports were

small during the spring months, amounting to less than 1 per cent of all eggs purchased. Imports were stimulated by shortages of local eggs in some months, and, at times, by the poor or uncertain quality of local eggs. Of all eggs shipped into local areas, 96 per cent were fresh and 4 per cent were cold storage. The highest percentage of cold storage eggs was imported by local areas during the winter months. All imports during the spring months were fresh eggs. Only 1 per cent of the first buyers were shipping in eggs during the spring months, while 10 to 14 per cent were shipping in eggs during the fall and winter months.

The highly seasonal nature of local production, of purchases from producers and other buyers, and of imports are shown for 1948 in Figure 1.

DISPOSITION. The disposition of all eggs purchased by first buyers in 1948 is shown in Figure 2. Of all eggs purchased by first buyers, 77 per cent were sold locally; 22 per cent were shipped out of local areas; and 1 per cent were lost due to spoilage and breakage. Of the 77 per cent of all eggs that were sold locally, 44 per cent were purchased locally, and 33 per cent were shipped in. All eggs shipped out of the local areas were purchased locally. There were no reports of shipped-in eggs being shipped out of these areas.

Approximately half of the local eggs purchased in March and April of 1948 were shipped out of local areas by first buyers. Of all eggs shipped out of local areas in 1948, 71 per cent were shipped during March and April. In some of the fall months, nearly half of the local eggs purchased were shipped out, but this amounted to a small percentage of the year's total because of the small volume of local eggs available during those months.

Of all local eggs purchased, 66 per cent were sold locally, and 34 per cent were shipped out. From 6 to 9 per cent of the buyers were making regular shipments of eggs throughout the year. In the spring months, however, as high as 17 per cent of the buyers were shipping eggs.

While this study indicates that a third of the local eggs purchased by first buyers were shipped out of local trade areas in 1948, this does not necessarily indicate the total number of eggs that were shipped out. Only those shipments that were made direct by the first buyers studied were accounted for. In addition, some of the eggs sold by first buyers to local produce

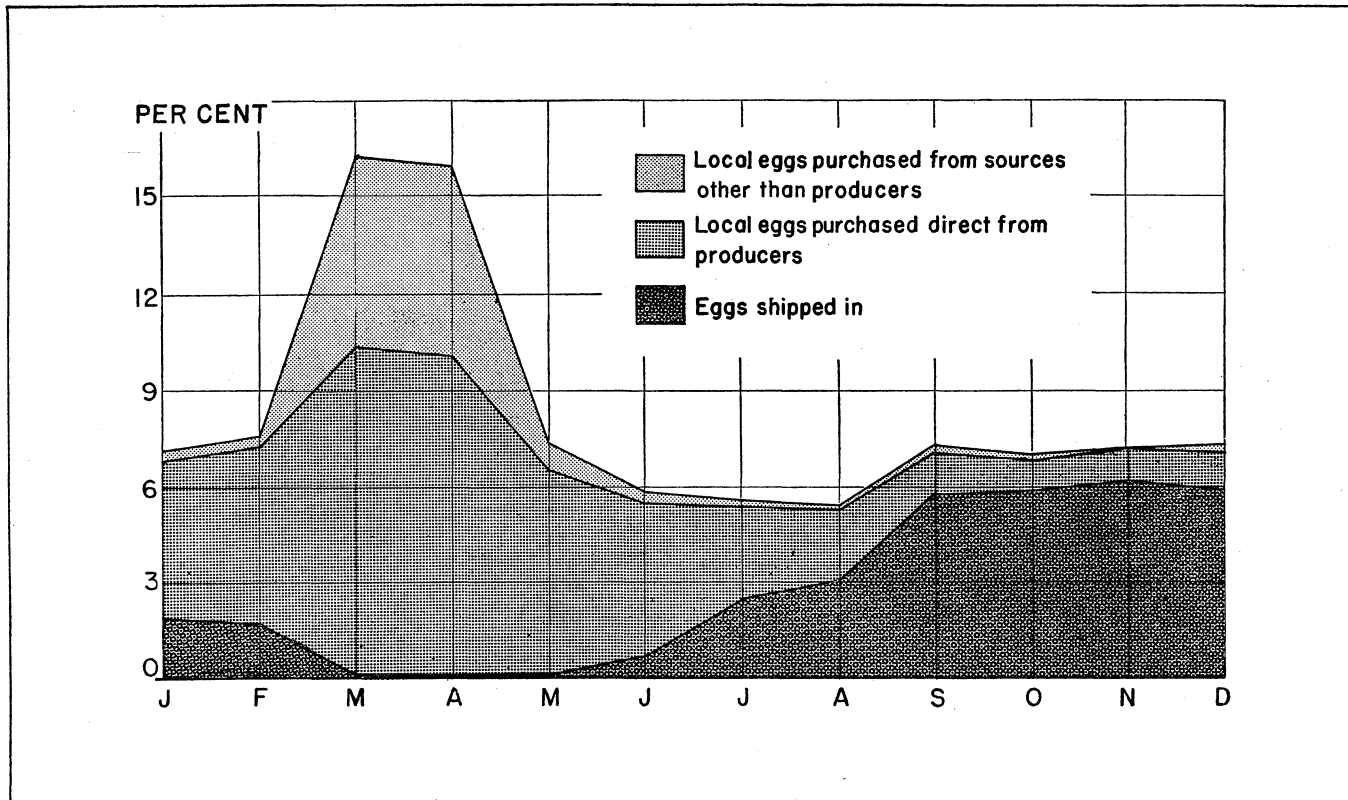


FIGURE 1. Percentage of total eggs bought by first buyers in Alabama by source and months, 1948.

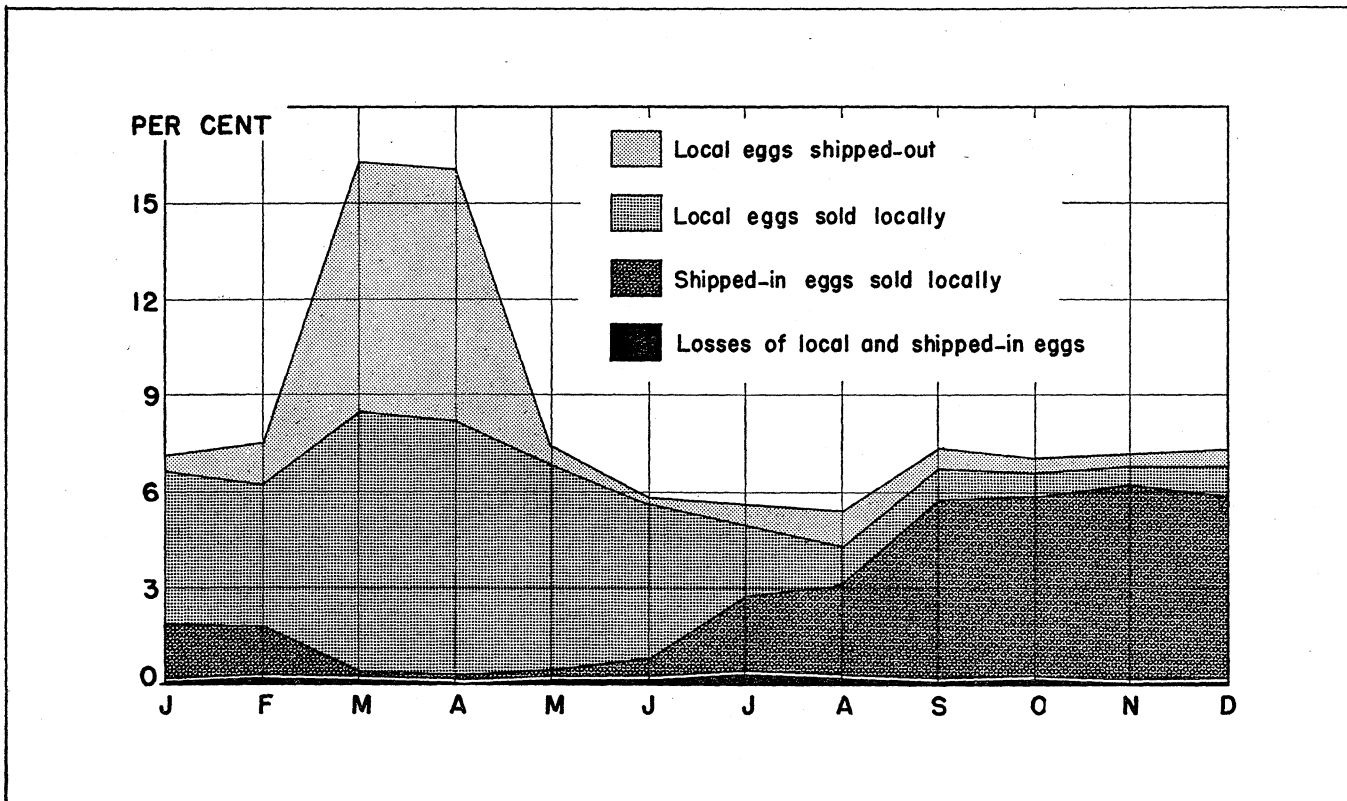


FIGURE 2. Percentage disposition of all eggs bought by first buyers in Alabama by months, 1948.

dealers, central-wholesalers, and other buyers may have left local trade areas. About 19 per cent of the eggs sold by first buyers in 1948 were sold to central-wholesalers, Table 7. Less than 2 per cent of the local eggs purchased by city stores and 23 per cent of those purchased by country stores were sold to central-wholesalers.

Of all eggs bought in 1948 by first buyers, approximately 1 per cent were lost due to spoilage or breakage while in the hands of buyers. Four per cent of all eggs bought in July were lost due to spoilage or breakage. Only 2 per cent of the buyers bought eggs on a graded basis in 1948. Since most buyers sold eggs as bought, much of the spoilage may not have been accounted for. Some of it may have been passed on to consumers or to second handlers of eggs.

Buyers sold the bulk of shipped-in eggs to retail stores or to other buyers who bought for resale rather than for direct sale to consumers. This practice varied by types of first buyers. For instance, country stores sold shipped-in eggs only to consumers. Produce dealers and some city stores made sales of shipped-in eggs to consumers, to other retail stores, and to other types of buyers in local trade areas.

TABLE 7. DISPOSITION OF LOCAL EGGS BY MONTHS AND OUTLETS, 203 FIRST BUYERS, ALABAMA, 1948

Month	Percentage of eggs sold locally or shipped to:					Total
	Retail stores	Produce dealers	Central-wholesalers	Consumers	Others	
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
January	20	15	24	31	10	100
February	18	19	26	27	10	100
March	18	16	23	13	30	100
April	23	18	18	9	32	100
May	43	34	6	16	1	100
June	45	34	2	18	1	100
July	27	32	18	23	¹	100
August	35	12	18	24	11	100
September	21	14	26	39	¹	100
October	18	18	24	40	0	100
November	19	13	24	44	0	100
December	22	21	18	39	0	100
AVERAGE, 1948	25	21	19	18	17	100
AVERAGE, 1947	24	21	26	18	11	100

¹ Less than 1 per cent.

Eggs shipped in by first buyers in 1948 exceeded the amounts shipped out by 12 per cent. While there were some inshipments and outshipments in every month of the year, imports were largest during the fall and winter, and exports were more important during the spring months. Purchases of local eggs exceeded local sales in March, April, and May. In all other months, purchases of local eggs were below local sales and had to be supplemented by imports. There was a deficit of local eggs for 9 months of the year. Heaviest outshipments were made in March and April; the main surplus problem also occurred in March and April. The volume of sales in local areas was fairly constant in January, February, May, September, October, November, and December. Local sales were heaviest in March and April, and lowest in June, July, and August.

PRICES. Most local eggs were bought as "current receipts." Many of the eggs shipped into local areas, however, were bought on U. S. grades. The weighted average price paid for all local eggs was 42 cents per dozen in 1948, Table 8. Eggs sold locally brought a weighted average price of 47 cents per dozen. Eggs shipped out of local areas were purchased and sold at the same

TABLE 8. PRICES PAID AND RECEIVED PER DOZEN FOR LOCAL AND SHIPPED-IN EGGS BY MONTHS, 203 FIRST BUYERS, ALABAMA, 1948

Month	Local eggs			Shipped-in eggs			
	Price paid	Price received for eggs		Price paid for:		Price received for:	
		Sold locally	Shipped out	Fresh eggs	Cold storage eggs	Fresh eggs	Cold storage eggs
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
January	56	58	60	36	38	40	43
February	49	52	54	42	44	46	49
March	38	42	40	46	---	54	---
April	37	41	37	40	---	50	---
May	38	41	36	45	---	53	---
June	40	44	44	42	49	46	60
July	40	44	45	46	58	50	72
August	49	52	53	48	49	53	56
September	50	57	52	51	58	57	72
October	56	61	58	51	59	58	71
November	60	67	63	52	61	59	71
December	60	65	63	51	60	57	69
WEIGHTED AV. PRICE	42	47	42	49	50	55	57
SIMPLE AV. PRICE	48	52	50	46	53	52	63

weighted average price. Outshipped eggs were sold at cost or above in all months except May when buyers suffered a loss on outshipments. Fresh shipped-in eggs were purchased at a weighted average price of 49 cents and resold for 55 cents per dozen. Cold storage eggs shipped into local areas were purchased at a weighted average price of 50 cents and resold for 57 cents per dozen.

Country stores paid an average of 43 cents per dozen for all local eggs purchased. Local eggs were sold by country stores to local consumers or other buyers for an average of 45 cents per dozen. City stores paid an average of 42 cents per dozen for all local eggs purchased in 1948, which they sold to local trade for an average of 46 cents per dozen.

SUMMARY AND CONCLUSIONS

First buyers of eggs, for purposes of this study, were designated as those buyers who bought eggs direct from producers for resale in their original form. They include country stores, city stores, chain stores, rolling stores, produce dealers, cooperatives, feed and seed stores, and other miscellaneous buyers.

About 60 per cent of all first buyers were country stores and 33 per cent were city stores. In many cases, the business of buying and selling eggs was a side line enterprise for first buyers.

First buyers handled an average of $9\frac{1}{2}$ cases of eggs per week. Of all eggs handled by first buyers in 1948, two-thirds were purchased locally and one-third were shipped in. Except during the spring months, when there was a surplus of local eggs, imports were fairly large.

The results of this study emphasize many of the problems connected with seasonal surplus production of eggs in areas where commercial egg production is relatively unimportant. This study indicated that:

1. Four-fifths of the buyers bought eggs without candling.
2. Most buyers bought eggs as "current receipts."
3. Only 5 per cent did some grading of eggs before they were resold.
4. Half of the local eggs purchased by first buyers were bought in March and April.
5. A third of the local eggs purchased were shipped out of local trade areas.
6. More than two-thirds of all outshipments occurred during the spring months.
7. Few buyers operated egg-collecting routes.
8. Small farm flocks, and the corresponding small average number of eggs produced per farm, made assembly of eggs difficult.
9. Many first buyers were engaged in the assembly and concentration of eggs. Practically all food retailers handled some eggs.
10. There was no consistent basis for determining prices paid producers.

11. The margin of spread between buying and selling prices, varied widely among first buyers.
12. There were no major differences in the prices paid for eggs bought at stores and on egg-collecting routes.
13. Two-thirds of the buyers reported that more than half of all the eggs they handled were taken in as "trade."
14. First buyers operated on a comparatively low spread between the buying and selling price of eggs.
15. Buying eggs was often a side line and was used as a means of securing customers by many first buyers.

Egg producers in Alabama were producing a surplus of eggs for 2 to 3 months in the spring; there was a shortage of eggs for the remaining 9 to 10 months of the year. Because of this established egg production pattern, efficiency in egg marketing may come slowly and will be difficult to attain. There are opportunities for first buyers, however, to make some savings by encouraging producers to produce a standardized product of high quality, and by reducing the number of services performed and the costs of these services.

First buyers should encourage producers to adopt those practices that are necessary for the production of local eggs over a longer period of the year. Most first buyers can handle more local eggs in all periods of the year except during the spring months.

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