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Don Bell's Table Egg Layer Flock Projections and Economic Commentary - 2006

(This report was written by Don Bell, University of California Poultry Specialist, emeritus, under the sponsorship of United Egg Producers)

On the following pages, we have a new presentation format for important flock statistics. The intent is to show the most recently available data with comparisons with the previous month(s) and for the two previous years. This will make "trends" more readily apparent to the reader.

1. MONTHLY HATCH (straight-run) (000's):

Monthly hatches for 2006 were down 3.9% below year-earlier levels but still significantly higher than the 2004 levels.

Period	2004	2005	2006	'06/'05 (%)
January	35,155	37,936	35,422	-6.6
February	31,923	33,932	33,665	-0.8
Total to date	67,078	71,868	69,087	-3.9

2. 24-MONTH ACCUMULATED HATCH (females) (millions):

The 24-month previous hatch is one of the most highly correlated statistic associated with "next year's" egg prices. During the 1996-2005 period, each additional one million female chicks hatched in each 2-year period depressed annual Urner-Barry Midwest Large egg prices by about 1/3 ¢/dozen. 24-month totals appear to have "bottomed out" in early 2004 at about 417 to 418 million pullets from a high in excess of 440 million. Current counts are approximately 437 million – about 2% above 2005.

Period	2004	2005	2006	'06/'05 (%)
January	418,559	426,687	436,780	+2.4
February	417,284	428,894	437,651	+2.0

3. PULLET PLACEMENT INTO LAYER HOUSES (millions):

Pullets placed equal pullet chicks hatched minus a mortality factor projected ahead 5 months for placement in layer houses. Currently available hatch data can be projected to July 2006. Through July, pullet placements for 2006 are averaging about 3.9% below 2005 placements.

Period	2004	2005	2006	'06/'05 (%)
Jan	14.97	16.63	17.58	+5.7
Feb	16.14	16.53	15.25	-7.7
Mar	15.79	15.73	15.96	+1.5
Apr	13.60	17.49	14.78	-15.5
May	15.28	16.84	16.35	-2.9
June	15.86	17.12	15.98	-6.7
July	14.40	15.31	15.19	-0.8
Aug	16.94	18.87		
Sept	16.91	17.27		
Oct	17.36	16.90		
Nov	16.93	15.58		
Dec	15.76	15.93	(7 mo. Av.)	
12 Month Av.	15.83	16.68	15.87	-3.9

4. TABLE EGG LAYERS (monthly averages in millions):

It is estimated that increases in the human population require approximately 3 million new layers per year to provide the same per capita consumption. Higher rates of lay would reduce this to 2 million. Layer numbers in 2005 were above year-earlier numbers for all but four months in 2004. Total counts for 2005 were up 3.2% above 2004 figures. Since the start of 2006, layer counts have been somewhat stable at about 291.

Period	2004	2005	2006	'06/'05 (%)
January	280.1	289.0	290.6	+0.6
February	280.3	289.4	291.1	+0.6
2 Month Average	280.2	289.2	291.0	+0.6

5. TABLE EGGS PRODUCED (millions):

Total table egg production for the first 2 months of 2006 was up 1.3% over 2004 and 2005 levels. This resulted in comparable egg prices for the two years – 70-71 cents/doz. (UB MW large).

Period	2004	2005	2006	'06/'05 (%)
January	6,315	6,526	6,624	+1.5
February	5,890	5,915	5,985	+1.2
Total to date	12,205	12,441	12,609	+1.3

6. INDUCED MOLTING (% in plus after a molt):

Molting percentages during the first 2 months of 2006 are up 1.1% above 2005 levels. This represents a significant increase and accounts for the decrease in pullet placements.

Period	2004	2005	2006	'06/'05 (%)
January	26.3	27.3	27.3	N/c
February	27.9	26.3	28.5	+2.2
Average to date	27.1	26.8	27.9	+1.1

7. SLAUGHTER (millions):

This number represents birds slaughtered in USDA inspected plants - about 45-50% of the total bird disappearance. Through February, slaughter has increased by 1.5%.

Period	2004	2005	2006	'06/'05 (%)
January	5.84	5.18	6.44	+24.3
February	4.61	5.58	4.48	-19.7
Total to date	10.45	10.76	10.92	+1.5

8. BREAKER EGGS PRODUCED (million cases):

Egg breakage rates in 2005 represented 31.9% of the nation's total production - a major increase over the previous. So far in 2006, the rate is up again by another 3.2%.

Period	2004	2005	2006	'06/'05 (%)
January	4.850	5.316	5.518	+3.8
February	4.740	5.170	5.302	+2.6
Year to date	9.590	10.486	10.820	+3.2

9. URNER-BARRY MID-WEST LARGE EGG PRICES (¢/dozen):

Egg prices during the first 3 months of 2006 are running above year-earlier levels with wide swings from month to month. Prices rarely drop below costs in February as it did this year.

Period	2004	2005	2006	'06/'05 (¢)
January	120.3	70.0	77.6	+7.6
February	110.6	71.7	62.1	-9.6
March	127.1	64.0	83.6	+19.6
April	93.4	60.0		
May	77.9	57.1		
June	80.8	59.6		
July	75.1	67.6		
August	66.6	61.0		
September	68.6	77.7		
October	62.7	65.6		
November	75.4	80.2		
December	80.1	89.1		
Year Average	86.7	68.5	74.4	+5.9

* Courtesy Urner Barry Publications.

10. URNER-BARRY MID-WEST BREAKER EGG PRICES (¢/dozen):**(Central, Nest Run Av., 48-50 Lbs – low side of market)**

Breaker egg prices during 2005 averaged 19.4¢ lower than in 2004. So far, in 2006, prices are about the same (slightly lower) compared to the same period in 2005.

Period	2004	2005	2006	'06/'05 (¢)
January	72.3	26.8	30.3	+3.5
February	78.0	31.4	24.8	-6.6
March	87.5	26.8	28.6	+1.8
April	61.5	26.4		
May	45.8	25.1		
June	45.9	21.2		
July	39.3	22.3		
August	33.0	27.0		
September	33.4	39.1		
October	28.6	32.1		
November	26.0	36.7		
December	26.6	34.3		
Year Average	48.4	29.0	27.9	-1.1

* Courtesy Urner Barry Publications.

11. COST OF EGG PRODUCTION (FEEDSTUFFS FORMULA) - ALL REGIONS:

Egg production costs for 2005 were estimated to be about 41,8 ¢/dozen. Estimates for the first 3 months of 2006 are significantly higher at 47.9 ¢/dozen due to higher feed prices.

Period	2004	2005	2006	'06 vs. '05 (¢)
January	47.6	41.2	47.7	+6.5
February	49.1	42.0	48.3	+6.3
March	50.7	42.7	47.6	+4.9
April	52.5	42.3		
May	51.3	42.2		
June	49.8	43.6		
July	48.0	43.4		
August	42.7	41.8		
September	41.7	40.2		
October	39.6	40.1		
November	40.0	40.4		
December	42.1	41.8		
Average (To date)	49.1	41.8	47.9	+6.1

12. LEADING TABLE EGG STATES (LAYERS IN 30,000+ FLOCKS)(millions) (Feb.)

Iowa continues to lead the nation in total egg production and rate of growth. Its 1.7 million hen increase was not the highest percentage increase (Indiana was 6.6%, with 1.5 million more hens) but it continues to grow each year while other states exhibit more stable hen counts.

State	2004	2005	Rank (2005)	2006	'06/'05 (%)
IOWA	39.8	49.1	1	50.8	+3.5
OHIO	26.7	27.6	2	29.0	+5.1
CALIFORNIA	20.2	20.1	5	18.9	-6.0
PENNSYLVANIA	22.2	22.7	4	21.7	-4.4
INDIANA	22.3	22.8	3	24.3	+6.6
TEXAS	14.0	13.6	6	14.2	+4.4
U.S.	274.0	283.5		285.2	+0.6

(USDA)

Note: These counts represent approximately 98% of the totals.

The University of California Cooperative Extension Web Site address is listed below. New items are added monthly.

<http://animalscience.ucdavis.edu/extension>
(Click on the above and then on Poultry)

The Table of Contents of this website includes the following categories of information:

1. **What's New** - * (all new items are left on this site until replaced by newer material).
2. **Meeting Schedule**
3. **Quality Assurance Programs**
4. **Publications** (approximately 130 publications on a variety of poultry subjects)
5. **Western Poultry Disease Conference Index** (a listing of reports presented at the Western Poultry Disease Conference – 1966 to 1999 covering 98 papers on health and related subjects).
6. **4-H Poultry Information**
7. **Disease Control and Biosecurity**
8. **UC Diagnostic Laboratories**
9. **Newsletters** - * (includes “An Economics Update”, “The California Poultry Letter”, and “Avian Science Notes”)
10. **Small Flock and Gamebird Information**
11. **Statistics** - * (includes “Egg Industry Statistical Monthly Report”, “Economic Memos”, and “U.S. Flock Projections”)
12. **Computer Programs** - *
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