

Don Bell's Table Egg Layer Flock Projections and Economic Commentary - 2004

(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 the first 4 months of 2004 were significantly above year-earlier levels. This followed the year 2003 which experienced a 1.3% reduction in hatch below 2002 levels.

Period	2002	2003	2004	'04/'03 (%)
March	36,985	36,775	37,530	+2.1
April	38,096	37,804	38,631	+2.2
Total to date	145,209	138,610	142,472	+2.8

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 1996-2002 period, each additional one million female chicks hatched decreased annual Urner-Barry Midwest Large egg prices by 0.38¢/dozen. Recent 24-month totals appear to have "bottomed out" at about 417 to 418 million pullets. As hatch totals start to rise again, egg price projections based solely upon the hatch will start to decrease.

Period	2002	2003	2004	'04/'03 (%)
March	440,883	429,314	417,508	-2.75
April	441,603	426,685	417,221	-2.22

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 into October 2004. Through October, pullet placements for 2004 are 1.87% higher than for the same period in 2003.

Period	2002	2003	2004	'04/'03 (%)
Jan	15.87	16.19	14.97	-7.5
Feb	16.51	15.97	16.14	+1.1
Mar	16.47	14.46	15.79	+9.2
Apr	14.28	14.02	13.60	-3.0
May	14.22	14.51	15.28	+5.3
June	16.03	15.12	15.95	+5.5
July	14.82	13.53	14.48	+7.0
Aug	16.57	16.57	16.94	+2.2
Sept	17.24	16.94	16.93	--
Oct	17.57	17.24	17.43	+1.1
10 Month Av.	15.96	15.46	15.75	+1.87

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

During the years 2001 to 2002, layer numbers increased a total of 1.7 million. It is estimated that increases in the human population require approximately 3 million per year to provide the same per capita consumption. Layer numbers were below year-earlier numbers for all but two months in 2003. Current Jan/Apr counts are slightly more (+0.3%) than they were for the same period in 2003 but are on the increase each month.

Period	2002	2003	2004	'04/'03 (%)
March	277.3	279.9	281.8	+0.6
April	275.0	278.0	282.5	+1.6
4 Month Average	277.5	280.3	281.1	+0.3

5. TABLE EGGS PRODUCED (millions):

Egg production for 2003 was up almost 1% over 2002 even though the flock size was 0.7% smaller. Egg production per hen increased 4.4 eggs – from 265.2 to 269.6. Egg production for the first four months of 2004 is up 3.1%.

Period	2002	2003	2004	'04/'03 (%)
March	6,312	6,316	6,446	+2.1
April	6,016	6,103	6,276	+2.8
Total to date	24,090	24,179	24,927	+3.1

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

Molting percentages during the first 4 months of 2004 are down 0.6% (absolute change). This reflects the reluctance of farmers to molt during today's higher egg price periods.

Period	2002	2003	2004	'04/'03 (%)
March	25.9	27.0	27.9	+0.9
April	25.8	26.8	26.1	-0.7
Average to date	25.9	27.6	27.0	-0.6

7. SLAUGHTER (millions):

This number represents birds slaughtered in USDA inspected plants - about 45-50% of the total bird disappearance. The counts for 2003 represent a marked 20.8% reduction below year 2002 figures. Slaughter during Jan/April of 2004 is down 25.1% from year-earlier figures.

Period	2002	2003	2004	'04/'03 (%)
March	8.38	6.96	6.15	-11.6
April	9.63	8.33	6.13	-26.4
Average to date	9.00	7.58	5.68	-25.1

8. BREAKER EGGS PRODUCED (million cases):

Year 2003 figures represent about 29.2% of the total U.S. production – down from 30.6% in 2002. Total eggs for breaking was down more than 2 million cases in 2003. Current breaking through April is up 60% from the same period in 2003.

Period	2002	2003	2004	'04/'03 (%)
March	4.692	4.749	5.346	+12.6
April	5.256	4.816	5.320	+10.5
Year to date	19,554	19,104	20,256	+6.0

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

Egg prices during the first half of 2004 have averaged 21.4¢ higher than in 2003. Assuming 11 dozen eggs produced in this period, egg income per hen is up \$2.35 over 2003 figures. Prices during the 2nd half of 2003, though, will be very hard to beat!

Period	2002	2003	2004	'04/'03 (¢)
January	74.7	83.4	120.3	+36.9
February	66.2	78.4	110.6	+32.2
March	82.0	84.1	127.1	+43.0
April	60.5	81.2	93.4	+12.2
May	58.2	72.5	77.9	+5.4
June	70.3	81.9	80.8	-1.1
Year to date	68.7	80.3	101.7	+21.4

* Courtesy Urner Barry Publications.

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

Egg production costs for January – June 2004 are 6.2¢/dozen higher than for the same period in 2003. This is a result of higher feed prices since all other factors are standardized.

Period	2002	2003	2004	'04 vs. '03 (¢)
April	40.5	43.9	52.5	+8.6
May	40.7	44.4	51.3	+6.9
June	41.0	43.8	49.8	+6.0
Average to date	41.0	44.0	50.2	+6.2

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

Iowa continues to lead the nation in total egg production and rate of growth. Its 5.3 million hen increase since 2003 represents 81% of the entire nation's growth for this period.

State	2002	2003	Rank (2004)	2004	'04/'03 (%)
IOWA	36,035	37,561	1	42,877	+14.2
OHIO	29,870	28,878	2	27,839	-3.6
CALIFORNIA	22,801	19,830	5	19,723	-0.5
PENNSYLVANIA	22,011	22,976	4	22,321	-2.9
INDIANA	21,396	22,051	3	22,623	+2.6
TEXAS	13,689	14,066	6	13,886	-1.1
U.S.	268,911	269,707		276,246	+2.4

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