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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 the first 6 months of 2006 were down 2.5% below year-earlier levels but were above 2004 levels.

Period	2004	2005	2006	'06/'05 (%)
May	38,347	38,792	40,320	+3.9
June	37,508	35,034	37,700	+7.6
Total to date	217,944	226,294	220,638	-2.5

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 438 million – about 1.3% above 2005.

Period	2004	2005	2006	'06/'05 (%)
May	417,043	433,275	437,898	+1.07
June	418,225	432,243	437,994	+1.33

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 Nov. 2006. Through November, pullet placements for 2006 have averaged about 2.5% 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	17.56	-6.9
Sept	16.91	17.27	15.62	-9.6
Oct	17.36	16.90	18.19	+7.6
Nov	16.93	15.58	17.01	+9.2
Dec	15.76	15.93	(11 mo. Av.)	
12 Month Av.	15.83	16.68	16.27	-2.5

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. Total counts for 2005 were up 3.2% above 2004 figures. Since the start of 2006, layer counts have averaged 289 million hens or up 1.3% over 2005 figures.

Period	2004	2005	2006	'06/'05 (%)
May	282.6	282.1	286.8	+1.7
June	283.0	282.4	284.7	+0.8
6 Month Average	281.8	285.6	289.2	+1.3

5. TABLE EGGS PRODUCED (millions):

Total table egg production for the first 6 months of 2006 was up 1.6% over 2005 levels. Interestingly, egg prices were also up by 4.7 cents/dozen (see Table 9).

Period	2004	2005	2006	'06/'05 (%)
May	6,393	6,439	6,521	+1.3
June	6,209	6,250	6,327	+1.2
Total to date	37,560	38,052	38,668	+1.6

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

Molting percentages during the first 6 months of 2006 are up 1.6% above 2005 levels. This represents a significant increase and accounts for the decrease in pullet placements.

Period	2004	2005	2006	'06-'05 (%)
May	26.9	26.4	29.1	+2.7
June	27.9	27.2	29.3	+2.1
Average to date	27.2	26.6	28.2	+1.6

7. SLAUGHTER (millions) (in USDA inspected plants):

This number represents birds slaughtered in USDA inspected plants - about 45-50% of the total bird disappearance. Through April, slaughter has decreased by 24.2%.

Period	2004	2005	2006	'06/'05 (%)
May	6.11	6.83	4.95	-27.5
June	6.30	7.18	4.50	-37.3
Total to date	35.16	39.12	29.64	-24.2

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 number of egg broken is about equal to 2005.

Period	2004	2005	2006	'06/'05 (%)
May	5.399	5.764	5.863	+1.7
June	5.684	6.182	5.897	-4.6
Year to date	31.320	33.996	33.659	-0.8

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

Egg prices during the first 7 months of 2006 are 4.7¢/doz. above year-earlier levels with wide swings from month to month. Prices rarely drop below costs in February as it did this year. Midwest break-even costs are estimated to be 76 cents/dozen (UB)

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	69.7	+9.7
May	77.9	57.1	60.6	+3.5
June	80.8	59.6	69.2	+9.6
July	75.1	67.6	60.0	+7.6
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		
7 Mo. Average	97.9	64.3	69.0	+4.7

* 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 0.9 cents higher 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	25.6	-0.8
May	45.8	25.1	23.8	-1.3
June	45.9	21.2	28.8	+7.6
July	39.3	22.3	24.6	+2.3
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		
7 Month Average	61.5	25.7	26.6	+0.9

* Courtesy Urner Barry Publications.

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

Egg production costs for 2005 (7 months) were estimated to be about 42.5 ¢/dozen. Estimates for the first 7 months of 2006 are significantly higher at 44.7 ¢/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	42.6	+0.3
May	51.3	42.2	42.7	+0.5
June	49.8	43.6	42.4	-1.2
July	48.0	43.4	41.7	-1.7
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		
7 Month Average	49.4	42.5	44.7	+2.2

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

Iowa continues to lead the nation in total egg production and rate of growth. Its 3.4 million hen increase was not the highest percentage increase (Texas was 9.0%, with 1.2 million more hens) but it continues to grow each year while other states exhibit more stable hen counts. California was the only major state to decrease in size.

State	2004	2005	Rank (2006)	2006	'06/'05 (%)
IOWA	43.513	47.230	1	50.615	+7.2
OHIO	27.818	27.470	2	27.562	+0.3
CALIFORNIA	19.920	19.180	5	18.477	-3.7
PENNSYLVANIA	22.432	21.190	4	21.863	+3.2
INDIANA	22.774	22.570	3	23.698	+5.0
TEXAS	13.625	12.860	6	14.019	+9.0
U.S.	276.583	276.400		278.870	+0.9

(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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