

## **An EGG ECONOMICS UPDATE**

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### **A RECAP OF EGG INDUSTRY STATISTICS – 2005**

Poultry statistics are derived from a variety of sources - U.S.D.A., State Departments of Agriculture, U.S. Census, Universities, and industry generated reports. Most rely on voluntary submission of data from the poultry producer and some are derived from mandated inspection programs such as the slaughter reports and the processed egg reports. The accuracy of these reports varies and is oftentimes questioned when two or more reports differ when reporting what may appear to be the same item. Some of the variability between reports may be due to differences in sampling procedures, definition problems regarding the request, changes in the statistic due to updating or in interpretation by secondary editors or commentators.

No one questions the need for **accurate** and **relevant** poultry statistics. Decisions affecting a firm's future operation must be based upon factual information. The smart producer will know how to interpret these "signs" and will know how to react relative to his competitors. If a producer interprets correctly and acts accordingly, losses during down cycles can be reduced and gains can be maximized during up cycles.

The user of this information, though, must be careful in his/her interpretation and understanding of what is being communicated. Some statistics really don't mean much, while others must be considered in conjunction with other interrelated factors.

This newsletter summarizes nineteen of the more quoted national statistics assembled specifically for the U.S. egg industry. The beginning table compares 2005 results with the previous year. Graphs (12) are used to illustrate trends and to make the data more understandable.

### **GENERAL COMMENTS**

2005 was considered to be a very poor year for the U.S. and Southern California egg industries and may have been one of the worst in at least 40 years. The estimated 8.6 cents per dozen losses for S. California is equivalent to approximately \$1.87 per hen. UC estimates of income, costs and profitability were discussed in "Egg Industry Statistical Report for December 2005.

Eggs broken for further processing were 6.2% more than in 2004. Egg products were 31.9% of all eggs produced and totaled 68.3 million cases in 2005 compared to 64.3 million in 2004 – up 4 million cases.

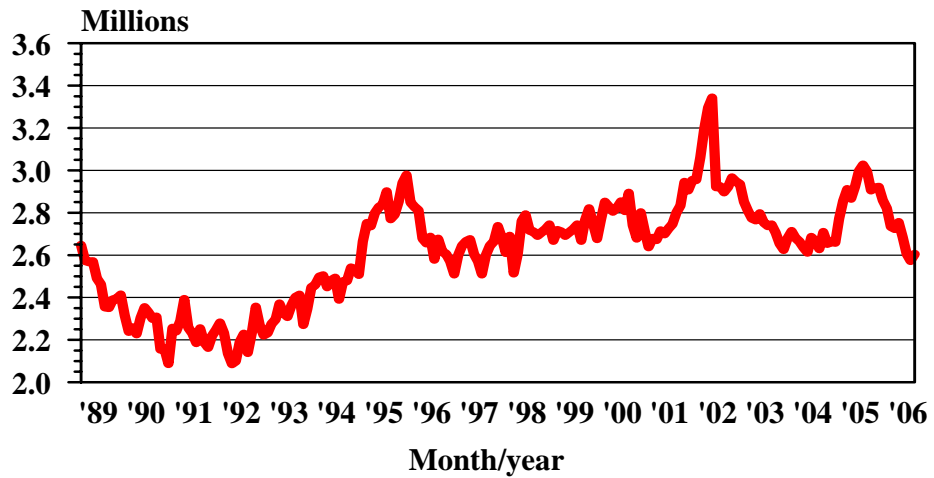
U.S. farm egg prices were estimated to be down 18.7¢/dozen below 2004 prices. Costs were also down 4.3¢/dozen as a result of a lower feed costs. U.S. egg income minus all costs in 2005 were estimated to be down about 14.4¢/dozen compared to 2004 or more than \$3 per hen. This would represent a change of \$855 million in the U.S. Egg industry between the two years.

<b>FLOCK STATISTICS</b>	<b>2004</b>	<b>2005</b>	<b>CHG (%)</b>
U.S. egg-type chick hatch (millions) monthly average	437.3 36.4	436.3 36.4	-0.2
U.S. "All layers" (includes breeders) (millions)	342.8	344.5	+0.5
U.S. table egg layers	283.5	285.8	+0.8
U.S. "all eggs" (including hatching) (billions) monthly average (billions) cases/month (millions) case/week (millions)	89.302 7.44 20.7 4.77	90.080 7.51 20.9 4.81	+0.9
U.S. "table eggs" billions monthly average (billions) cases/month (millions) cases/week (millions)	76.384 6.37 17.7 4.08	76.999 6.42 17.82 4.11	+0.8
U.S. rate of lay (table egg layers) (%)	73.6	73.8	+0.2
U.S. layers in a molt (%)	4.2	3.8	-0.4
U.S. layers completed a molt (%)	23.3	22.8	-0.5
U.S. layers post-molt (%)	27.4	26.6	-0.8
U.S. layers less than 72 weeks of age (millions)	188.3	198.4	-10.1
U.S. layers over 72 weeks of age (%)	33.0	33.5	+0.5
U.S. table egg hatchery supply flock (millions)	2.669	2.917	+9.3
U.S. slaughter of light fowl (millions) (U.S. inspected plants) monthly average (millions)	71.80 5.98	72.35 6.03	+1.9
U.S. pullets housed (millions) monthly average (millions)	189.9 15.8	200.2 16.7	+5.4
U.S. shell eggs broken (million cases) month average (million cases)	64.3 5.36	68.3 5.69	+6.2
U.S. per capita egg consumption	257.2	255.1	-2.1 eggs
<b>ECONOMIC FACTORS</b>			<b>Chg (¢)</b>
U.S. average farm egg prices (includes farm retail) (¢/doz) (USDA)	53.7	35.0	-18.7
U.S. quarterly egg income minus costs (¢/doz)			
1 <sup>st</sup> quarter	+35.9	-6.7	-42.6
2 <sup>nd</sup> quarter	+1.5	-18.4	-19.9
3 <sup>rd</sup> quarter	-8.0	-6.9	-1.1
4 <sup>th</sup> quarter	+0.9	+4.5	+3.6

Annual av. egg income - est. costs (¢/doz)	+7.6	-6.8	-14.4
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Figures 1 through 12 illustrate the monthly trends and the relative values for 2005.

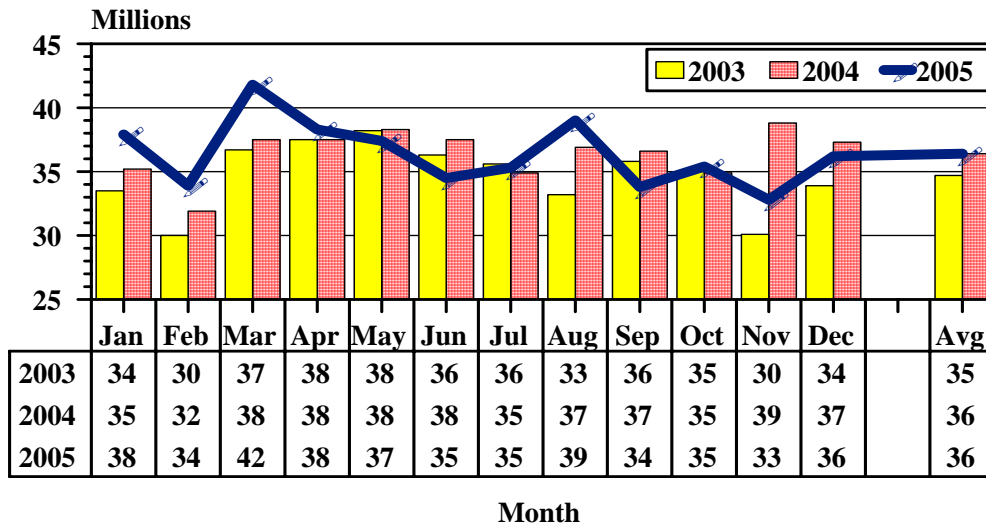
**Figure 1. Egg Type Hatchery Supply Flock  
(7 to 18 month prior hatch minus mortality) 1989 to 2006**



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**Figure 2. Hatch of Egg-Type Straight Run Chicks**

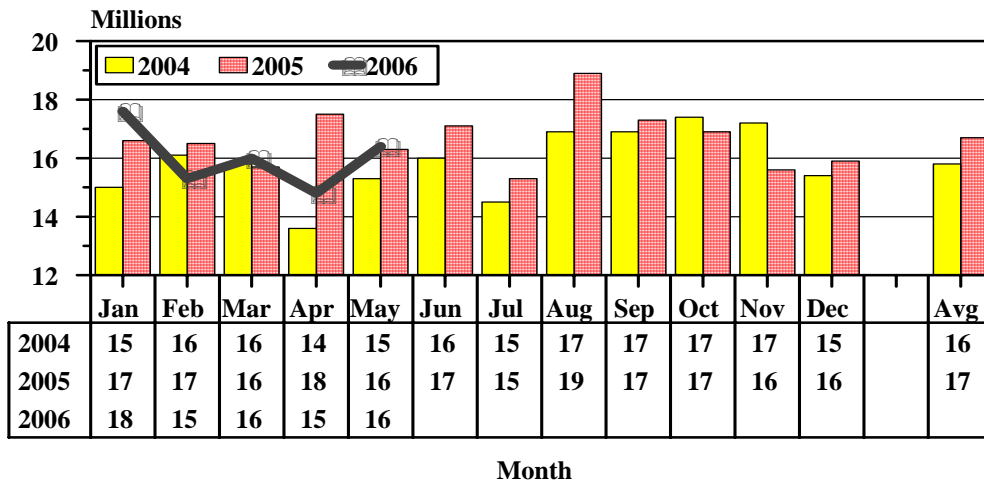
**2003, 2004, & 2005**



U.S.D.A. Eggs, Chickens and Turkeys

**Figure 3. U.S. Pullet Placements 2004, 2005 & 2006**

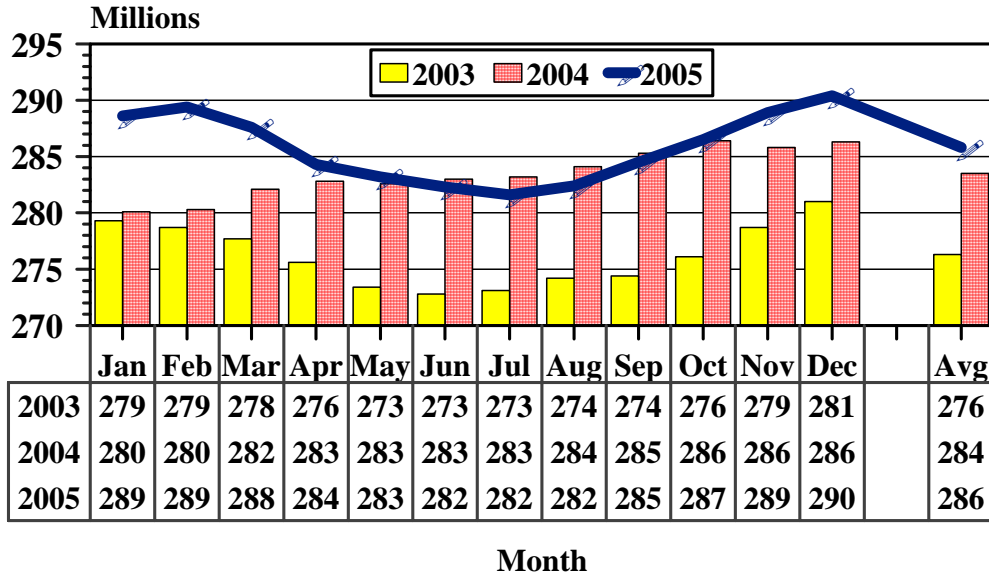
**(Hatched 5 months earlier minus mortality)**



U.S.D.A. Eggs, Chickens & Turkeys

**Figure 4. U.S. Table Egg Layers**

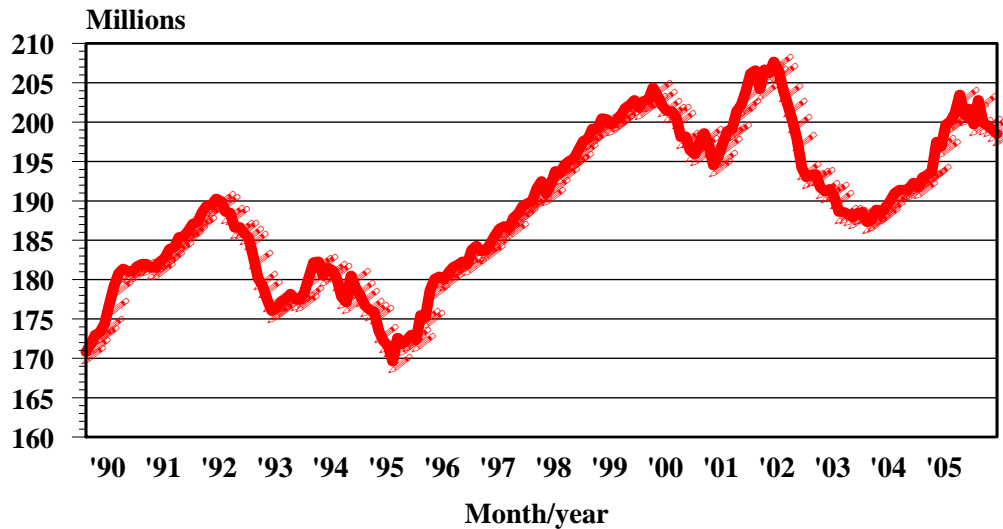
**2003, 2004, & 2005**



U.S.D.A. Eggs, Chickens & Turkeys

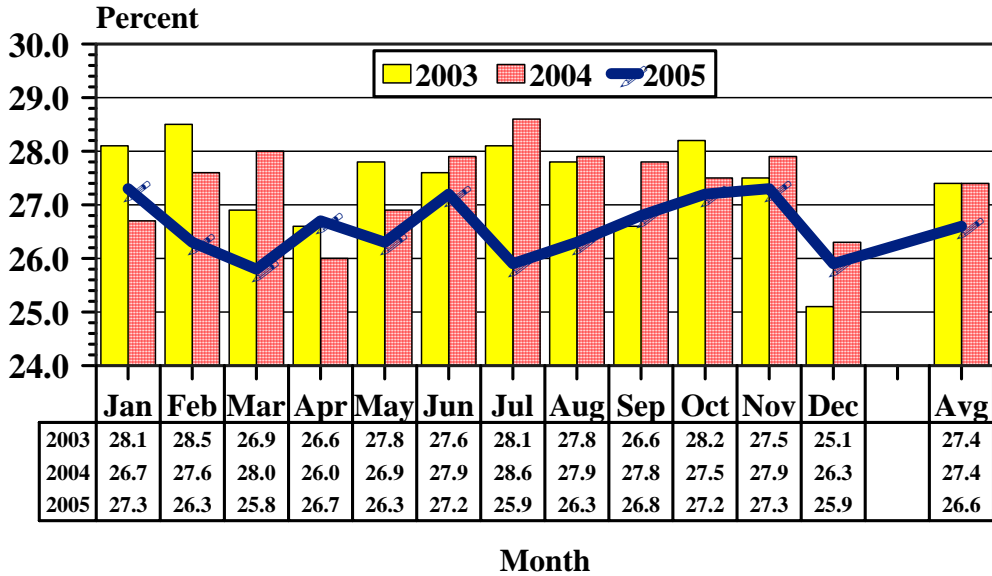
**Figure 5. Table Egg Layers Less Than 72 Weeks of Age**

**1990 to 2006**



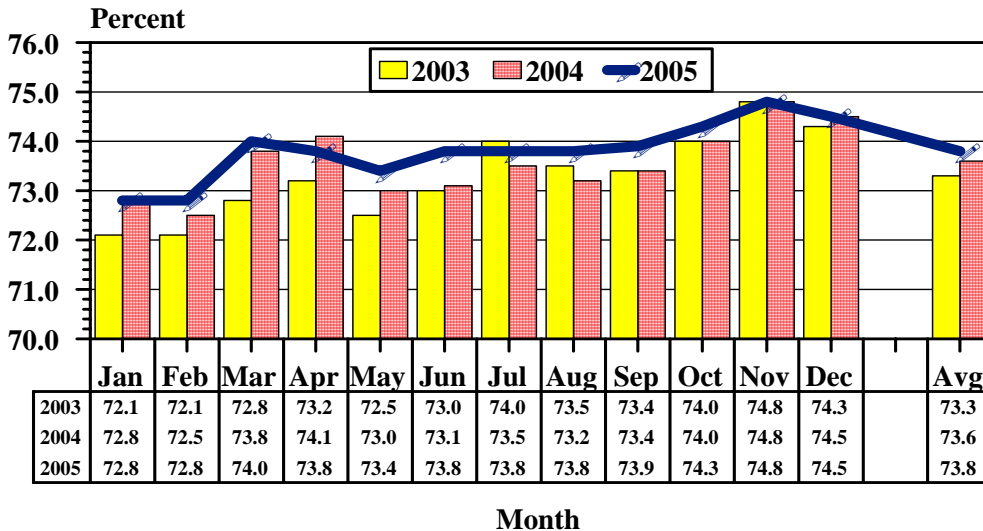
University of California

**Figure 6. U.S. Layers In + Completed A Forced Molt**  
**2003, 2004, & 2005**



U.S.D.A. Eggs, Chickens & Turkeys

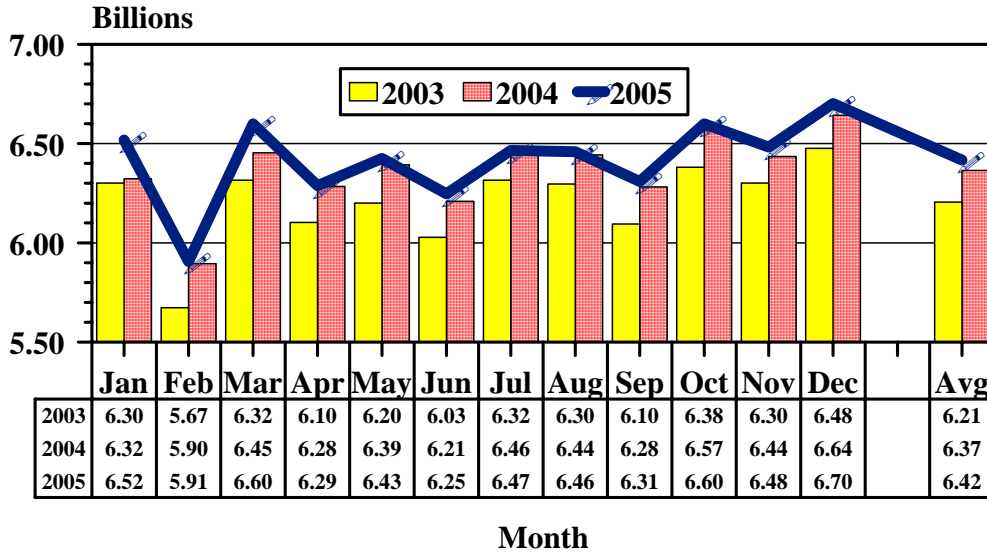
**Figure 7. U.S. Monthly Rate of Lay**  
**(Table eggs) 2003,2004, & 2005**



U.S.D.A. Eggs, Chickens & Turkeys

**Figure 8. U.S. Table Eggs**

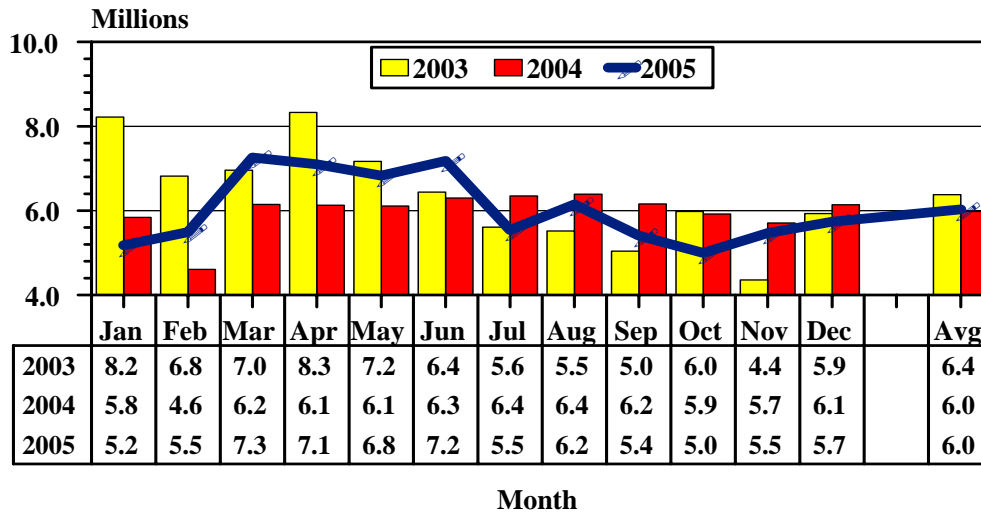
**2003, 2004, 2005**



U.S.D.A. Eggs, Chickens & Turkeys

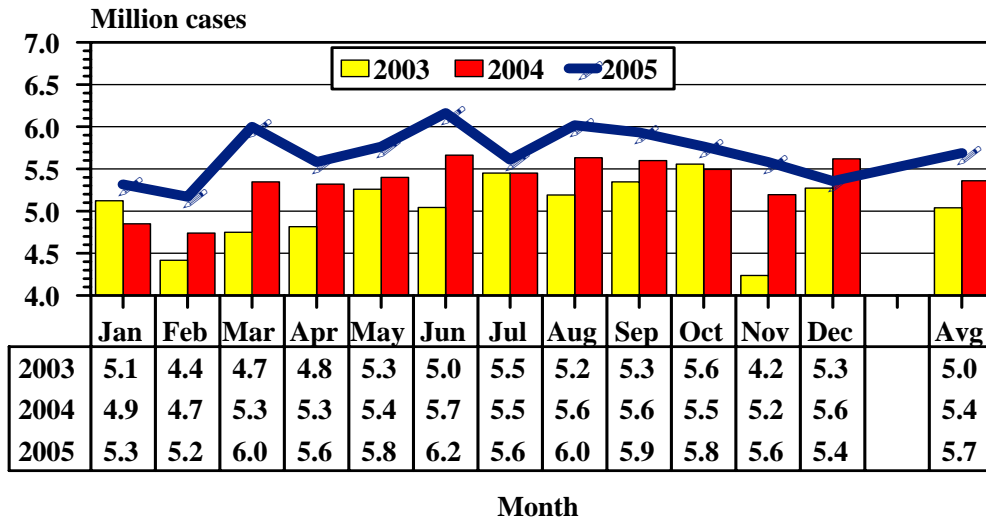
**Figure 9. U.S. Fowl Slaughter**

**2003, 2004, & 2005**



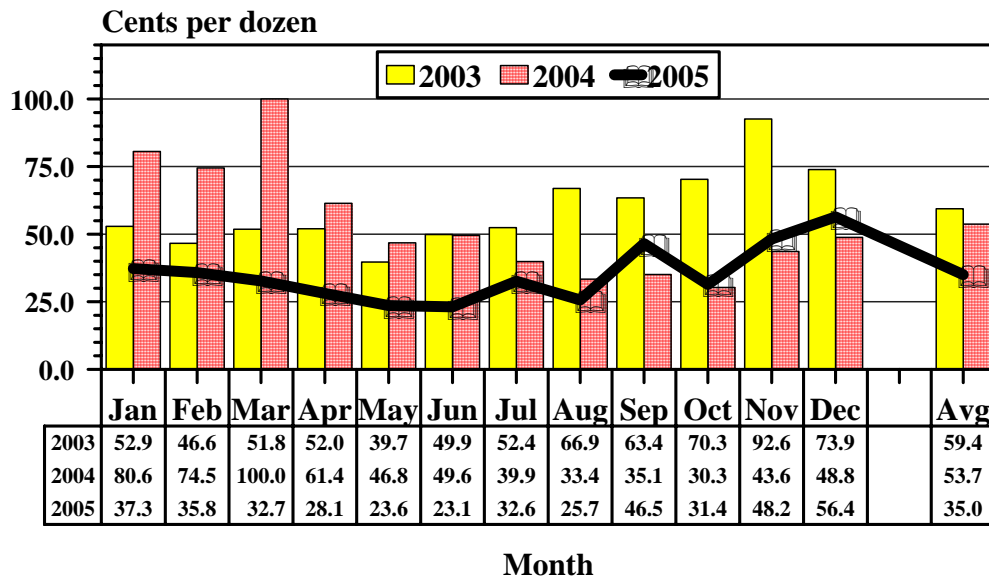
U.S.D.A. Poultry Slaughter

**Figure 10. U.S. Shell Eggs Broken Under  
USDA Inspection 2003, 2004, & 2005**



U.S.D.A. Egg Products

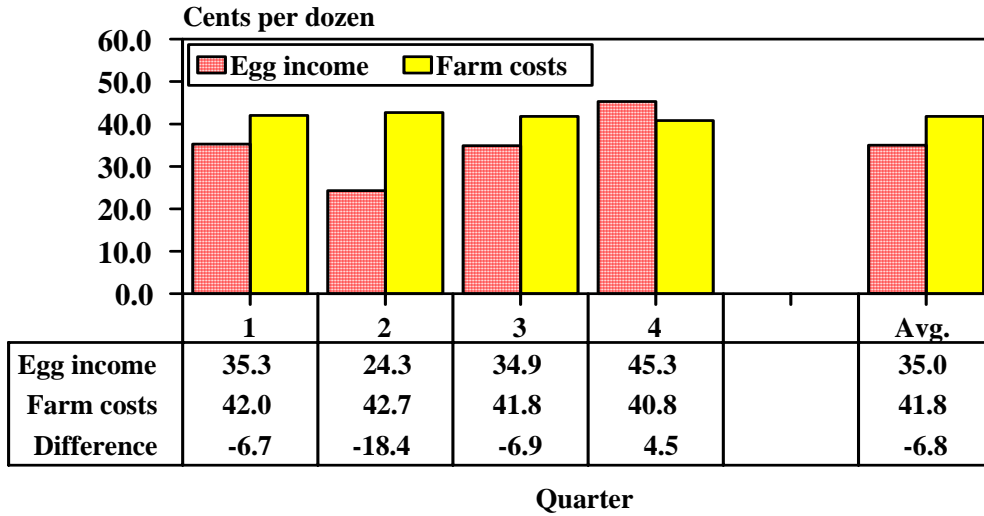
**Figure 11. U.S. Mid Month Farm Table Egg Prices  
(all eggs including farm retail) - 2003, 2004, & 2005**



U.S.D.A. Agricultural Prices

**Figure 12. Quarterly Egg Income and Costs**

**U.S. 2005**



USDA estimates, Livestock and Poultry Situation and Outlook