

An EGG ECONOMICS UPDATE

**Donald Bell, Poultry Specialist (emeritus)
University of California, Riverside, CA 92521**

A RECAP OF EGG INDUSTRY STATISTICS - 2003

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 twelve of the more quoted national statistics assembled specifically for the U.S. egg industry. The beginning table compares 2003 results with the previous year. Graphs are used to illustrate trends and to make the data more understandable.

GENERAL COMMENTS

2003 was considered to be an excellent year for the U.S. and Southern California egg industries, respectively. The 12.0 cents per dozen profit for S. California is equivalent to approximately \$2.59 per hen. UC estimates of profitability were discussed in EEU #258.

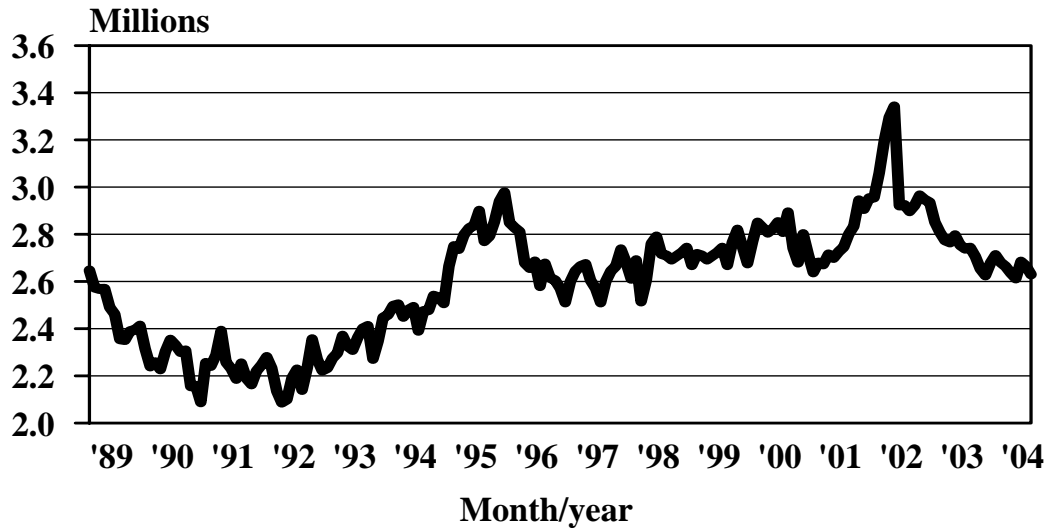
Eggs broken for further processing were 3.7% fewer than in 2002. Egg products were 29.2% of all eggs produced and totaled 60.5 million cases in 2003 compared to 62.8 million in 2002.

U.S. farm egg prices were estimated to be up 17.3¢/dozen above 2002 prices. Costs were also up 1.9¢/dozen as a result of a higher feed costs. U.S. egg income minus all costs in 2003 were estimated to be up about 13.1¢/dozen compared to 2002.

FLOCK STATISTICS	2002	2003	CHG (%)
U.S. egg-type chick hatch (millions) monthly average	421.3 35.1	415.8 34.7	-1.3
U.S. "All layers" (includes breeders) (millions)	339.0	337.3	-0.5
U.S. table egg layers	278.2	276.3	-0.7
U.S. "all eggs" (including hatching) (billions) monthly average (billions) cases/month (millions) case/week (millions)	86.659 7.22 20.1 4.63	87.276 7.27 20.2 4.66	+0.7
U.S. "table eggs" billions monthly average (billions) cases/month (millions) cases/week (millions)	73.768 6.15 17.1 3.90	74.486 6.21 17.3 3.98	+1.0
U.S. rate of lay (table egg layers) (%)	72.7	73.3	+0.6
U.S. layers in a molt (%)	4.1	3.9	-0.2
U.S. layers completed a molt (%)	22.7	23.5	+0.8
U.S. layers post-molt (%)	26.8	27.4	+0.6
U.S. layers less than 72 weeks of age (millions)	202.5	190.2	-6.1
U.S. layers over 72 weeks of age (%)	27.1	31.2	+4.1
U.S. table egg hatchery supply flock (millions)	3.022	2.730	-9.7
U.S. slaughter of light fowl (millions) (U.S. inspected plants) monthly average (millions)	96.5 8.04	76.4 6.36	-20.8
U.S. pullets housed (millions) monthly average (millions)	191.4 16.0	187.0 15.6	-2.3
U.S. shell eggs broken (million cases) month average (million cases)	62.8 5.23	60.5 5.04	-3.7
U.S. per capita egg consumption	253.6	252.2	-0.6
ECONOMIC FACTORS			Chg (¢)
U.S. average farm egg prices (includes farm retail) (¢/doz) (USDA)	42.0	59.4	+17.3
U.S. quarterly egg income minus costs (¢/doz) 1 st quarter 2 nd quarter 3 rd quarter 4 th quarter	+1.8 -7.5 -5.0 +1.1	+5.0 +0.8 +15.1 +31.5	-5.7 -5.1 +1.7 +0.8
Annual av. egg income - est. costs (¢/doz)	-2.4	+13.1	+15.5

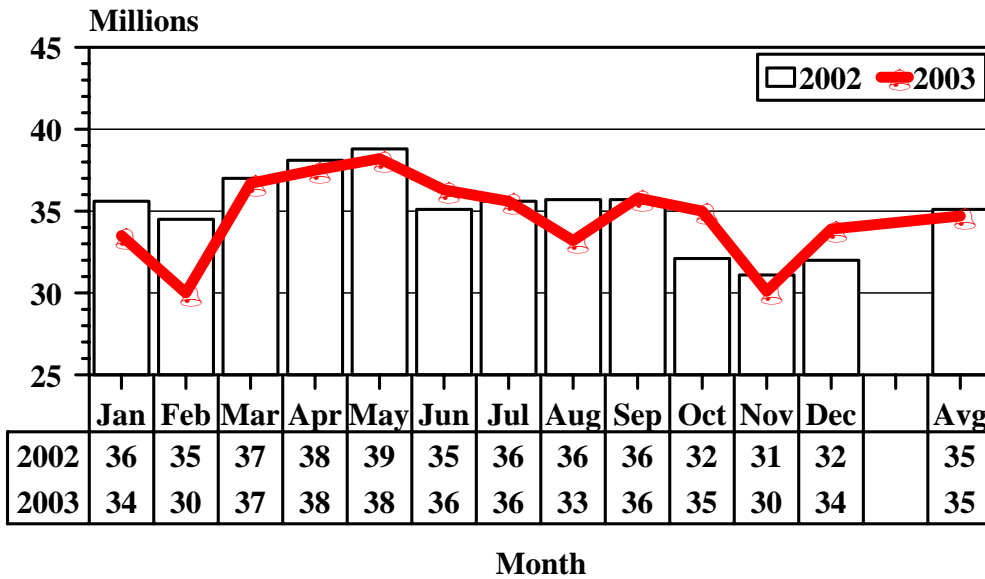
Figures 1 through 12 illustrate the monthly trends and the relative values for 2002.

**Figure 1. Egg Type Hatchery Supply Flock
(7 to 18 month prior hatch minus mortality) 1989 to 2004**



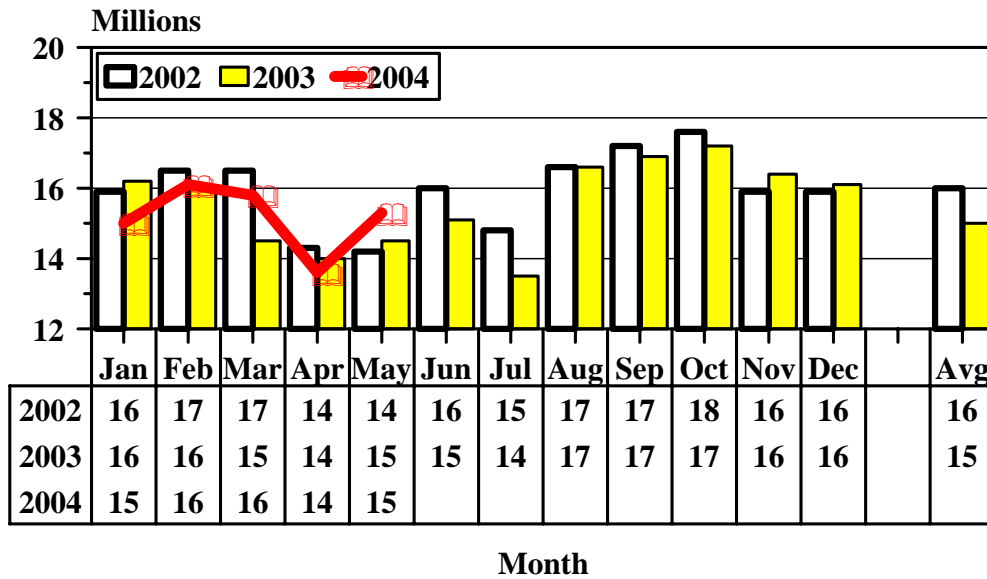
University of California

**Figure 2. Hatch of Egg-Type Straight Run Chicks
2002 vs 2003**



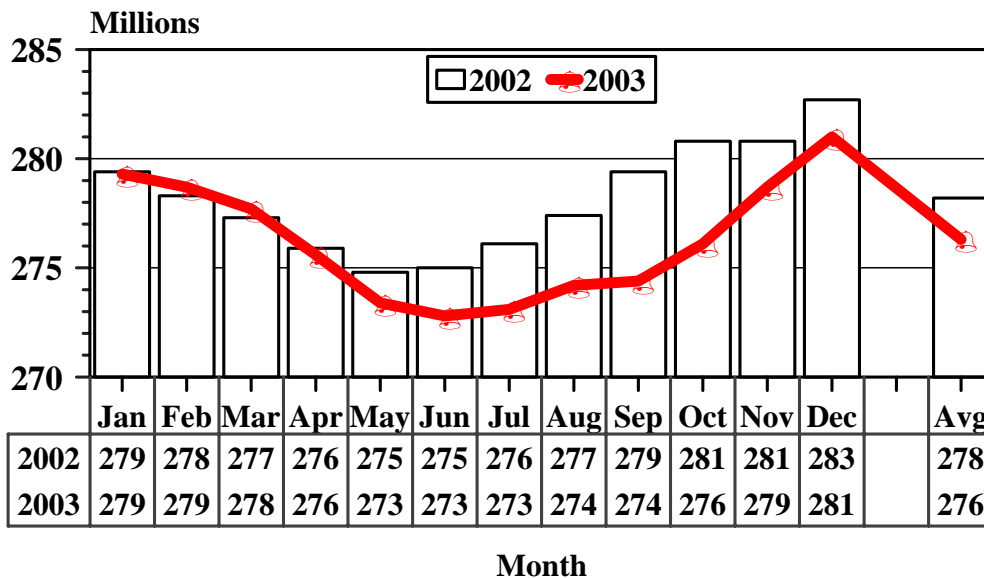
U.S.D.A. Eggs, Chickens and Turkeys

Figure 3. U.S. Pullet Placements 2002, 2003, & 2004
(Hatched 5 months earlier minus mortality)



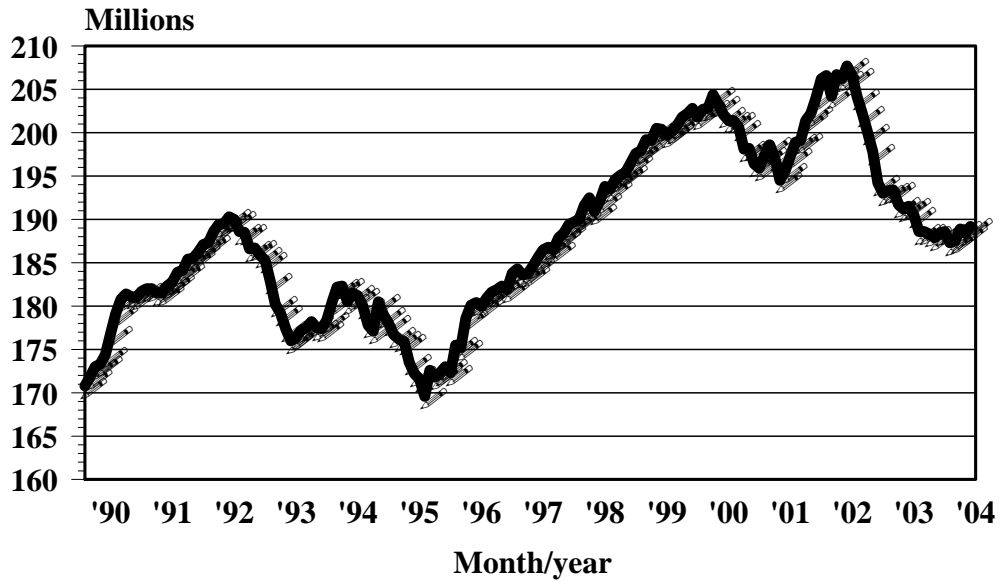
U.S.D.A. Eggs, Chickens & Turkeys

Figure 4. U.S. Table Egg Layers
2002 vs 2003



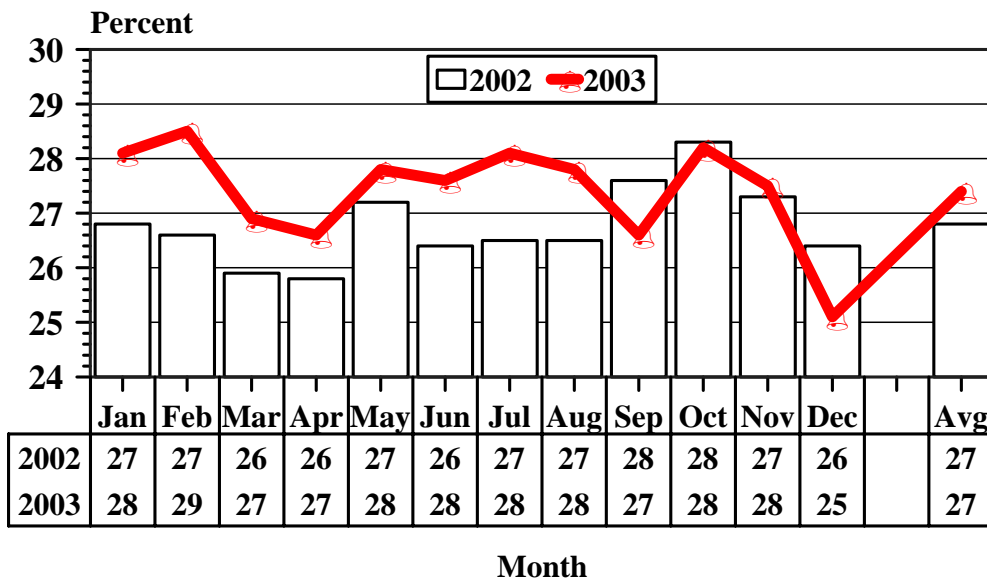
U.S.D.A. Eggs, Chickens & Turkeys

**Figure 5. Table Egg Layers Less Than 72 Weeks of Age
1990 to 2004**



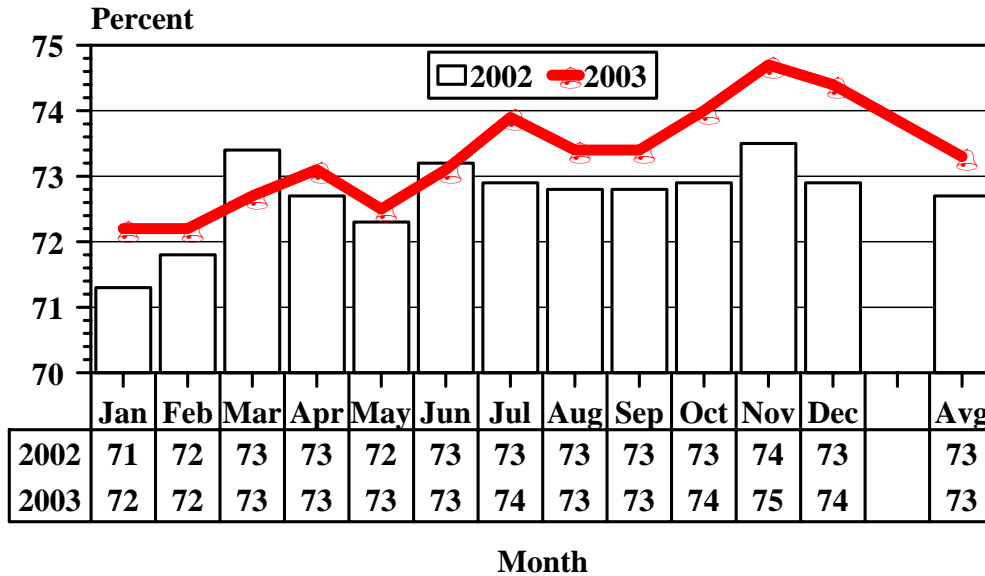
University of California

**Figure 6. U.S. Layers In + Completed A Forced Molt
2002 vs 2003**



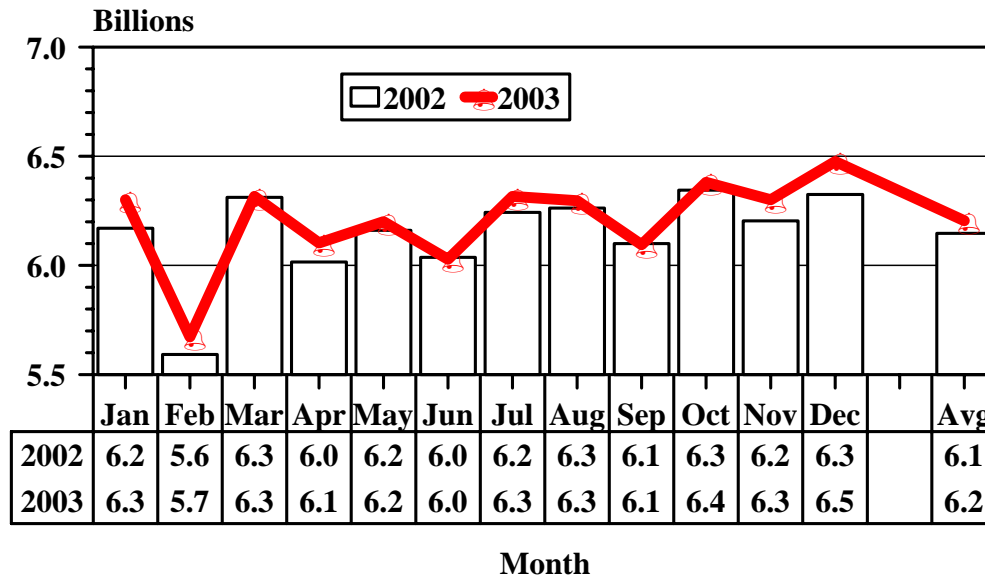
U.S.D.A. Eggs, Chickens & Turkeys

Figure 7. U.S. Monthly Rate of Lay
(Table eggs) 2002 vs 2003



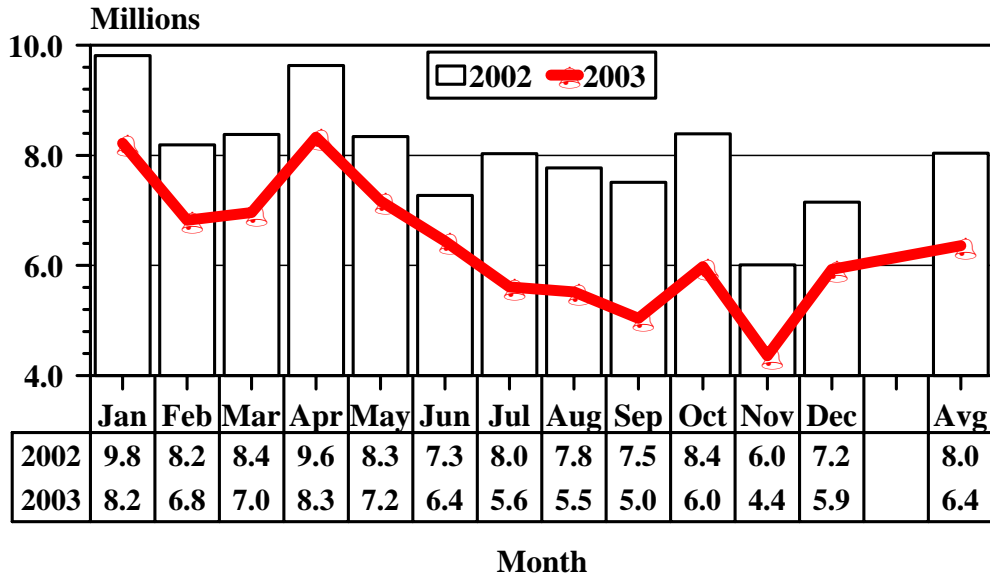
U.S.D.A. Eggs, Chickens & Turkeys

Figure 8. U.S. Table Eggs
2002 vs 2003



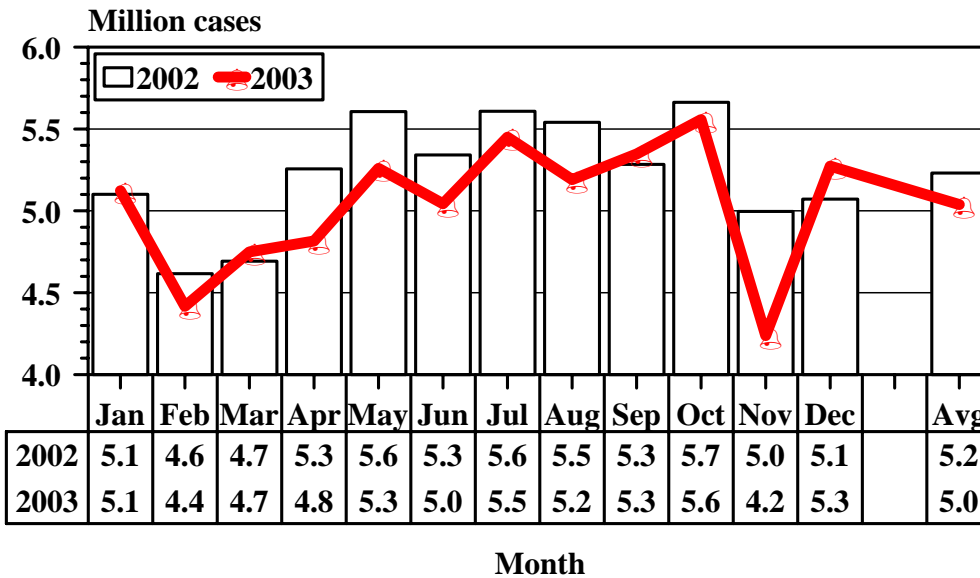
U.S.D.A. Eggs, Chickens & Turkeys

Figure 9. U.S. Fowl Slaughter
2002 vs 2003



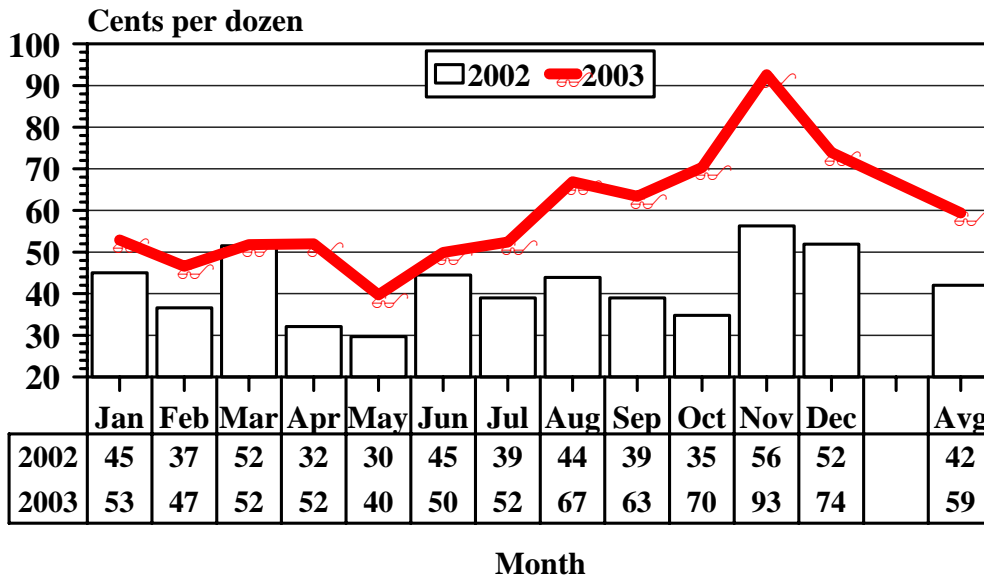
U.S.D.A. Poultry Slaughter

Figure 10. U.S. Shell Eggs Broken Under
USDA Inspection 2002 vs 2003



U.S.D.A. Egg Products

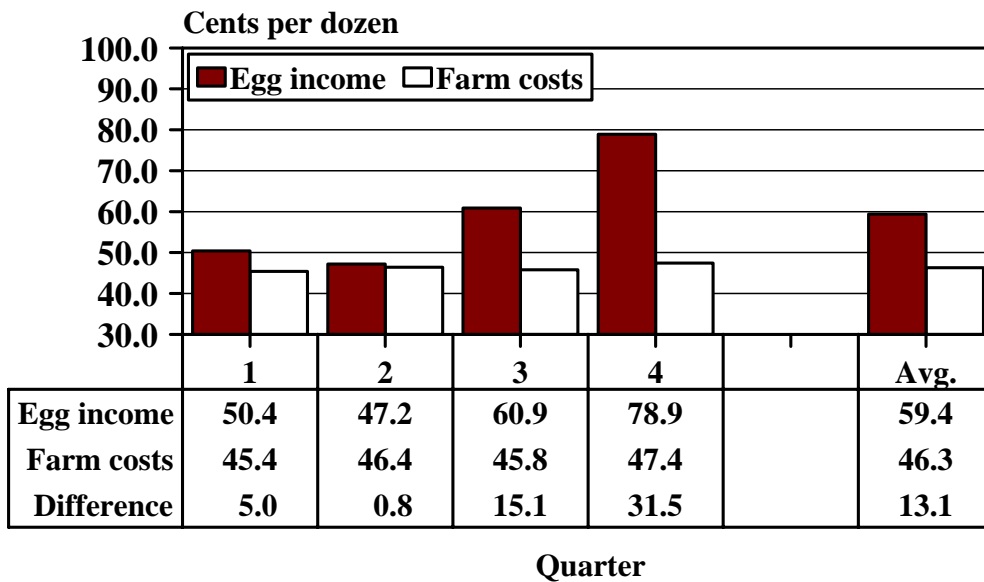
Figure 11. U.S. Mid Month Farm Table Egg Prices
(all eggs including farm retail) - 2002 vs 2003



U.S.D.A. Agricultural Prices

Figure 12. Quarterly Egg Income and Costs

U.S. 2003



USDA estimates, Livestock and Poultry Situation and Outlook