

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 10 months of 2004 were significantly above (+2.8%) year-earlier levels. This followed the full year 2003 which experienced a 1.3% reduction in hatch below 2002 levels.

Period	2002	2003	2004	'04/'03 (%)
September	35,734	35,763	36,750	+2.8
October	32,219	34,812	35,971	+3.3
Total to date	357,948	352,183	362,041	+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. Egg prices since August of 2003 have not demonstrated the usual close relationship to the hatch as in earlier periods.

Period	2002	2003	2004	'04/'03 (%)
September	440,190	419,485	418,782	-0.3
October	438,174	418,979	420,689	-0.5+0.4

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 March 2005. Through December, pullet placements for 2004 are 1.7% 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
Nov	15.93	16.40	17.18	+4.8
Dec	15.89	16.06	15.40	-4.1
12 Month Av.	15.95	15.58	15.84	+1.7

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. Total Jan/October counts (2004) are up 1.7% compared to the same period in 2003 but are on the increase each month. Recent monthly increases have been much larger.

Period	2002	2003	2004	'04/'03 (%)
September	279.4	276.9	284.7	+2.8
October	280.8	278.1	286.0	+2.8
Average to date	277.4	277.9	282.6	+1.7

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 ten months of 2004 is up 2.4%.

Period	2002	2003	2004	'04/'03 (%)
September	6,100	6,095	6,264	+2.8
October	6,345	6,381	6,559	+2.8
Total to date	61,190	61,710	63,210	+2.4

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

Molting percentages during the first 11 months of 2004 are down 0.1% (absolute change). This represents the percentage of the Nation's flock either in or post molt.

Period	2002	2003	2004	'04/'03 (%)
September	27.6	26.7	27.9	+1.2
October	28.3	28.3	27.7	-0.6
November	27.3	27.5	27.8	+0.3
Average to date	26.8	27.6	27.5	-0.1

7. SLAUGHTER (millions):

This number represents birds slaughtered in USDA inspected plants - about 45-50% of the total bird disappearance. Total slaughter counts for 2004 represent a 9.5% reduction below year 2003 figures. More on-farm disposal continues to take place.

Period	2002	2003	2004	'04/'03 (%)
September	7.51	5.04	6.16	+22.2
October	8.39	5.98	5.92	n/c
Total to date	83.300	66.300	60.000	-9.50

8. BREAKER EGGS PRODUCED (million cases):

Year 2004 figures represent about 30.5% of the total U.S. production – up from 29.2% in 2003. Current breaking through October is running 59,302 cases/week over 2003 figures.

Period	2002	2003	2004	'04/'03 (%)
September	5.284	5.347	5.599	+4.7
October	5.663	5.557	5.495	-1.1
Year to date	52.710	50.950	53.500	+5.0

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

Egg prices during the first 9 months of 2004 have averaged 6.2¢ higher than in 2003. Assuming 16.5 dozen eggs produced in this period, egg income per hen is up \$1.02 over 2003 figures. Prices during the 2nd half of 2003, though, will be very hard to match!

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
July	67.6	85.4	75.1	-10.3
August	70.7	100.0	66.6	-33.4
September	67.4	98.1	68.6	-29.5
October	69.3	105.0	62.7	-42.3
November	88.0	126.4	75.4	-51.0
December	78.7	112.5	80.1	-32.4
Year to date	71.0	92.2	86.7	-5.5

* Courtesy Urner Barry Publications.

10. URNER-BARRY MID-WEST BREAKER EGG PRICES (¢/dozen):

(Central, Nest Run Avg, 48-50 Lbs – low side of market)

Breaker egg prices during 2004 averaged 6.0¢ lower than in 2003. Assuming 22.0 dozen eggs per hen for the year, egg income per hen is down \$1.32 below 2003 figures. Prices during the 2nd half of 2004 were considerably below 2nd half 2003 prices (-38¢/dozen).

Period	2002	2003	2004	'04/'03 (¢)
January	31.6	36.6	72.3	+35.7
February	28.0	38.5	78.0	+39.5
March	31.5	40.4	87.5	+47.1
April	26.6	38.9	61.5	+22.6
May	27.6	38.4	45.8	+7.4
June	37.1	46.7	45.9	-0.8
July	32.7	50.7	39.3	-11.4
August	33.6	66.3	33.0	-33.3
September	32.7	67.8	33.4	-34.4
October	36.3	75.4	28.6	-46.8
November	42.6	84.6	26.0	-58.6
December	34.6	70.4	26.6	-43.8
Year to date	32.8	54.4	48.4	-6.0

* Courtesy Urner Barry Publications.

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

Egg production costs for January – October 2004 are 3.7¢/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 (¢)
January	41.1	43.4	47.6	+4.2
February	41.3	44.3	49.1	+4.8
March	41.1	44.0	50.7	+6.7
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
July	42.2	42.4	48.0	+6.4
August	43.1	41.3	42.7	+1.4
September	44.1	43.6	41.7	-1.9
October	43.2	43.7	39.6	-4.1
Average to date	41.8	43.5	47.2	+3.7

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

Iowa continues to lead the nation in total egg production and rate of growth. Its 6.9 million hen increase since 2003 represents 72% of the entire nation's growth for this month.

State	2002	2003	Rank (2004)	2004	'04/'03 (%)
IOWA	37.06	38.57	1	45.43	+17.8
OHIO	29.92	28.48	2	27.99	-1.7
CALIFORNIA	23.02	19.09	5	20.05	+5.1
PENNSYLVANIA	22.44	22.71	4	22.13	-2.6
INDIANA	22.87	21.70	3	22.45	+3.5
TEXAS	14.25	14.20	6	14.12	-0.6
U.S.	274.80	270.30		279.88	+3.5

October estimates (USDA)

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

animalscience.ucdavis.edu/avian

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** - *
13. **Interesting Web Sites**
14. **Mailing Lists**
15. **Extension Educational Programs**
16. **Faculty**

* Items with economic emphasis