

February 23, 2007

UEPMEMO# 62

**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):**

The total hatch for 2006 was down 2.3% below year-earlier levels. This represents 5 million fewer pullet chicks.

Period	2004	2005	2006	'06/'05 (%)
Nov	38,421	32,285	31,748	-1.7
Dec	37,035	35,917	33,430	-6.9
Total to date	437,497	437,177	427,048	-2.3

**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. December counts are approximately 432 million – slightly less than in 2005.

Period	2004	2005	2006	'06/'05 (%)
Nov	424,077	435,357	433,470	-0.4
Dec	426,687	436,647	431,519	-1.2

**3. PULLET PLACEMENTS 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 May 2007. Through May, pullet placements for 2007 have been slightly less than the previous two years.

Period	2005	2006	2007	'07/'06 (%)
Jan	16.63	17.58	15.75	-10.4
Feb	16.53	15.25	16.63	+9.0
Mar	15.73	15.96	16.37	+2.6
Apr	17.49	14.78	14.33	-3.0
May	16.84	16.35	15.09	-7.7
June	17.12	15.98		
July	15.31	15.19		
Aug	18.87	17.56		
Sept	17.27	15.62		
Oct	16.90	18.19		
Nov	15.58	17.01		
Dec	15.93	14.99		
<b>5 Month Av.</b>	<b>16.61</b>	<b>15.88</b>	<b>15.63</b>	<b>-1.6</b>

**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 2006 were above year-earlier numbers for all but one month. Total counts for 2006 were up almost 3 million above 2005 figures.

Period	2004	2005	2006	'06/'05 (%)
Nov	286.6	288.5	289.2	+0.2
Dec	287.1	290.6	290.4	-0.1
<b>Average to Date</b>	<b>283.6</b>	<b>285.2</b>	<b>288.1</b>	<b>+1.0</b>

**5. TABLE EGGS PRODUCED (millions):**

Total table egg production for 2006 was up 1.0% over 2005 levels. Interestingly, egg prices for the year averaged 6.9 cents/dozen higher – partially due to a timely export sale at the end of the year. (see Table 9).

Period	2004	2005	2006	'06/'05 (%)
Nov.	6,416	6,459	6,489	+0.5
Dec.	6,619	6,703	6,683	-0.3
Total to date	76,242	76,922	77,706	+1.0

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

Molting percentages during 2006 were up 2.0% above 2005 levels. This represents a significant increase in the amount of molting being done in the U.S.

Period	2004	2005	2006	'06-'05 (%)
Oct	27.7	27.3	29.9	+2.6
Nov	27.8	27.4	28.8	+1.4
Dec.	26.4	26.5	28.7	+2.2
Average to date	27.5	26.7	28.7	+2.0

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

This number represents birds slaughtered in USDA inspected plants - about 45-50% of the total bird disappearance. For 2006, slaughter has decreased by 25.5% from 2005. Slaughter in U.S. plants has decreased by 1.5 million birds/month over the last 12-months.

Period	2004	2005	2006	'06/'05 (%)
Nov	5.71	5.47	3.66	-33.1
Dec	6.14	5.74	4.17	-27.4
Total to date	71.80	72.44	53.98	-25.5

**8. BREAKER EGGS PRODUCED (million cases):**

Egg breakage rates in 2006 represents 31.2% of the nation's total production - a slight decrease from the 2005 rate – down about 67,750 cases per month.

Period	2004	2005	2006	'06/'05 (%)
Nov	5.195	5.581	5.366	-3.9
Dec	5.619	5.357	5.411	+1.0
Year to date	64.310	68.255	67.442	-1.3

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

Egg prices during 2006 were up 6.9 cents/dozen over year-earlier levels with wide swings from month to month. High prices in November and December helped to decrease heavy already incurred losses up through October. Losses for 2006 were estimated to average 3 cents/doz.

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	74.0	+13.0
September	68.6	77.7	70.9	-6.8
October	62.7	65.6	74.5	+8.9
November	75.4	80.2	103.5	+23.3
December	80.1	89.1	99.7	+10.6
12 Mo. Average	86.7	68.5	75.4	+6.9

\* Courtesy Urner Barry Publications.

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

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

Reported breaker egg prices during 2005 averaged 19.4¢ lower than in 2004. In 2006, prices are about the same compared to 2005 – about 61% of the price in 2004.

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	30.0	+3.0
September	33.4	39.1	27.5	-11.6
October	28.6	32.1	29.5	-2.6
November	26.0	36.7	43.4	+6.7
December	26.6	34.3	36.7	+2.4
12 month	48.38	29.02	29.42	+0.40
Average				

\* Courtesy Urner Barry Publications.

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

Egg production costs for 2004 were estimated to be about 46.1 ¢/dozen. Estimates for 2005 and 2006 were 41.8 and 44.2 cents/dozen, respectively.

Period	2004	2005	2006	'06 vs. '05 (¢)
January	47.6	41.2	43.0	+1.8
February	49.1	42.0	43.2	+1.2
March	50.7	42.7	42.6	-0.1
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	40.5	-1.3
September	41.7	40.2	41.0	+0.8
October	39.6	40.1	44.5	+4.4
November	40.0	40.4	48.4	+8.0
December	40.4	41.8	49.3	+7.5
12 Month Average	46.14	41.79	44.23	+2.44

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

Iowa continues to lead the nation in total egg production and rate of growth. Its 1.66 million hen increase was the highest number of all states. It continues to grow each year while other states exhibit more stable hen counts. Ohio, California and Pennsylvania all decreased in size. Interestingly, the December counts for 2005 and 2006 were practically the same.

State	2004	2005	Rank (2006)	2006	'06/'05 (%)
IOWA	46.488	49,593	1	51,248	+3.3
OHIO	27.371	28,678	2	27,017	-5.8
CALIFORNIA	20.037	19,165	5	19,142	-0.2
PENNSYLVANIA	22.174	22,578	4	21,674	-4.0
INDIANA	22.542	23,836	3	23,933	+0.4
TEXAS	13.841	14,271	6	14,645	+2.6
U.S.	280.234	284.843		284.653	-0.1

(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 96 topics 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**
17. **Avian Influenza/Bird Flu** - with numerous links to other related sites.

\* Items with economic emphasis