

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 6 months of 2004 were significantly above (+3.0%) 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 (%)
May	38,751	37,631	38,631	+2.7
June	35,136	36,602	38,066	+4.0
Total to date	218,811	212,843	219,169	+3.0

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. As hatch totals start to rise again, egg price projections based solely upon the hatch will start to decrease.

Period	2002	2003	2004	'04/'03 (%)
May	440,387	424,460	417,161	-1.7
June	439,323	422,221	418,626	-0.9

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 November 2004. Through November, pullet placements for 2004 are 2.2% 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	14.02	16.40	17.18	+4.8
11 Month Av.	15.96	15.54	15.88	+2.2

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/June counts are up 1.1% compared to the same period in 2003 but are on the increase each month, but recent monthly increases have been much larger.

Period	2002	2003	2004	'04/'03 (%)
May	274.8	275.8	282.3	+2.4
June	275.0	275.1	282.7	+2.8
Average to date	276.8	278.7	281.6	+1.1

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 six months of 2004 is up 2.5%.

Period	2002	2003	2004	'04/'03 (%)
May	6,161	6,200	6,386	+3.0
June	6,037	6,028	6,200	+2.9
Total to date	36,288	36,624	37,512	+2.5

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

Molting percentages during the first 7 months of 2004 are down 0.3% (absolute change). This reflects the reluctance of farmers to molt during higher egg price periods.

Period	2002	2003	2004	'04/'03 (%)
May	27.2	27.8	27.0	-0.8
June	26.4	27.6	28.1	+0.4
July	26.5	28.2	28.6	+0.4
Average to date	26.5	27.7	27.4	-0.3

7. SLAUGHTER (millions):

This number represents birds slaughtered in USDA inspected plants - about 45-50% of the total bird disappearance. Slaughter counts for 2004 represent a marked 20.5% reduction below year 2003 figures. More on-farm disposal is taking place.

Period	2002	2003	2004	'04/'03 (%)
May	8.34	7.17	6.11	-14.8
June	7.27	6.44	6.10	-5.3
Average to date	8.60	7.32	5.82	-20.5

8. BREAKER EGGS PRODUCED (million cases):

Year 2004 figures represent about 31.3% of the total U.S. production – up from 29.2% in 2003. Current breaking through June is running 74,000 cases/week over 2003 figures.

Period	2002	2003	2004	'04/'03 (%)
May	5.606	5.259	5.399	+2.7
June	5.341	5.043	5.664	+12.3
Year to date	30.612	29.406	31.320	+6.7

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

Egg prices during the first 7 months of 2004 have averaged 16.9¢ higher than in 2003. Assuming 12.8 dozen eggs produced in this period, egg income per hen is up \$2.16 over 2003 figures. Prices during the 2nd half of 2003, though, will be very hard to beat!

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
Year to date	68.5	81.0	97.9	+16.9

* Courtesy Urner Barry Publications.

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

Egg production costs for January – July 2004 are 6.2¢/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
Average to date	41.1	43.7	49.9	+6.2

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

Iowa continues to lead the nation in total egg production and rate of growth. Its 6.4 million hen increase since 2003 represents 67% of the entire nation's growth for this month.

State	2002	2003	Rank (2004)	2004	'04/'03 (%)
IOWA	36.04	37.131	1	43.513	+17.2
OHIO	29.81	28.478	2	27.818	-2.3
CALIFORNIA	22.96	19.033	5	19.920	+4.7
PENNSYLVANIA	22.05	22.729	4	22.432	-1.3
INDIANA	21.77	21.970	3	22.774	+3.7
TEXAS	13.66	14.017	6	13.625	-2.8
U.S.	268.73	267.052		276.583	+3.6

June 2004 estimates (USDA)

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

animalscience.ucdavis.edu/avian