

Don Bell's Table Egg Layer Flock Projections and Economic Commentary - 2003

(This report was written by Don Bell, University of California Poultry Specialist, Emeritus, under the sponsorship of United Egg Producers)

Estimated Feed and Egg Production Costs by Region - 2002

The table below lists our estimated production costs for each region of the country for both halves of 2002. Feed costs are based upon regional published prices for corn and soybean meal. A common feed formula and overhead costs were used to calculate feed prices. Pullet costs were based upon calculated feed prices and regional chick prices. Egg production was assumed to be 34 dozen/hen (two cycles). Individual firms within a region are expected to differ from their region's averages for a variety of reasons. These data are meant for comparison purposes only.

Table 1. Feed price per 100 pounds (\$)

Mo	N. Atlantic	E.N Central	W.N. Central	S. Atlantic	S. Central	West	All*
J	6.44	5.68	5.51	6.28	6.05	6.88	6.14
F	6.35	5.57	5.44	6.34	5.96	6.82	6.08
M	6.38	5.77	5.47	6.35	6.01	6.84	6.08
A	6.41	5.65	5.50	6.19	6.00	6.89	6.10
M	6.52	5.70	5.61	6.35	6.11	7.00	6.21
J	6.71	5.82	5.70	6.53	6.20	7.03	6.33
Av.	6.47	5.70	5.54	6.34	6.06	6.91	6.16
J	7.08	6.29	6.15	7.01	6.64	7.47	6.77
A	7.45	6.65	6.50	7.37	6.94	7.89	7.12
S	7.57	6.79	6.60	7.45	7.06	8.08	7.26
O	7.23	6.40	6.23	7.07	6.71	7.81	6.91
N	7.14	6.25	6.11	6.96	6.69	7.63	6.80
D	7.10	6.21	6.04	6.91	6.68	7.54	6.75
Av.	7.26	6.43	6.27	7.13	6.79	7.74	6.93
2002	6.87	6.07	5.91	6.73	6.42	7.32	6.55
2001	6.50	5.80	5.54	6.26	6.06	6.96	6.18

* simple average of the regions

Cost of Producing Eggs

Feed and pullet costs were varied as explained above. All other costs were standardized as follows:

Feed conversion: 3.45 lbs/doz - varied by the month (3.28 to 3.62 lbs/dozen)

Labor - 3.0¢/dozen

Building and equipment costs (all types represented): 2.9¢/dozen

Interest costs (half-value): 1.8¢/dozen

Miscellaneous (utilities, overhead, medication, consultants, insurance, etc.): 5.0¢/dozen

Table 2. Cost of Egg Production (¢/dozen)(nest-run)

Mo	N. Atlantic	E.N Central	W.N. Central	S. Atlantic	S. Central	West	All*
J	42.3	39.1	38.5	41.7	40.6	44.3	41.1
F	42.3	39.1	38.7	42.2	40.7	44.6	41.3
M	42.1	39.6	38.4	41.8	40.5	44.2	41.1
A	41.7	38.6	38.1	40.8	40.1	43.9	40.5
M	41.9	38.6	38.3	41.2	40.4	44.1	40.7
J	42.5	39.1	38.6	41.7	40.5	43.9	41.0
Av.	42.1	39.0	38.4	41.6	40.5	44.2	41.0
J	43.3	40.5	39.8	43.1	41.6	45.2	42.2
A	44.3	41.2	40.7	44.0	42.4	46.2	43.1
S	45.2	42.4	41.5	44.8	43.3	47.4	44.1
O	44.3	41.3	40.5	43.8	42.4	47.1	43.2
N	44.2	41.0	40.3	43.6	42.5	46.2	43.1
D	44.3	40.8	40.2	43.7	42.7	46.1	42.9
Av.	44.3	41.2	40.5	43.8	42.5	46.4	43.1
2002	43.2	40.1	39.5	42.7	41.5	45.3	42.0
2001	41.9	39.1	38.1	40.9	40.1	44.0	40.7

* simple average of the regions

Table 3. Miscellaneous Variables

Annual Av.	N. Atlantic	E.N Central	W.N. Central	S. Atlantic	S. Central	West	All*
Feed: ¢/dozen	22.4	20.0	19.1	21.6	20.9	24.0	21.3
Pullets: ¢/dozen	6.8	6.5	6.3	6.6	6.6	7.3	6.7
Corn \$/bushel	2.77	2.31	2.18	2.59	2.52	3.13	2.58
SBOM \$/ton	191.70	168.21	169.01	199.77	178.30	194.39	182.79

Seasonality of Feed Prices and Cost of Production

Figures 1 and 2 illustrate the pattern of feed prices and costs of production relative to the season. Traditionally, feed prices tend to peak just prior to harvest (July). This year feed prices started relatively low, peaked in September and remained at a high level for the remainder of the year. This coincides with the peak price for corn and soy - September and August, respectively.

General Comments

Each region is represented by one or two delivery points.. These are:

N. Atlantic (Boston/Buffalo),

E. N. Central (Chicago)

W. N. Central (Minneapolis/ Kansas City)

S. Atlantic (Delmarva/ Atlanta)

S. Central (Ft. Worth/ Memphis)

West (Los Angeles/San Francisco) - a single quote

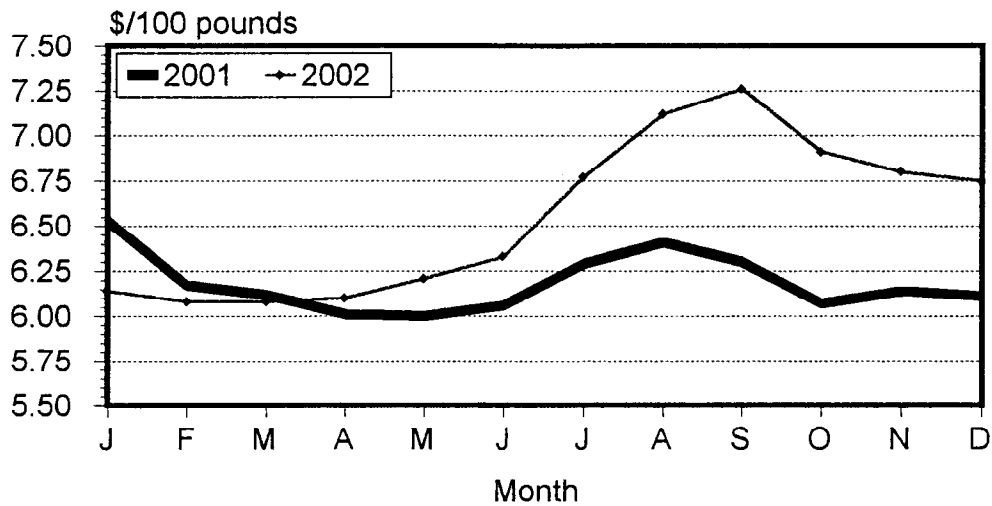
General Summary

Feed prices were up \$0.37 per 100 pounds in 2002 compared to 2001 (\$6.55 vs \$6.18). This resulted in an increase in the cost production of 1.3 cents per dozen (42.0 vs 40.7).

Regional differences in feed costs amounted to \$1.41/100 pounds. Similar costs of production ranged from 39.5 to 45.3 cents per dozen - a spread of 5.8 cents/dozen. These estimated costs and prices are the sole outcome of differences in the prices for corn and soybean meal.

University of California web page: animalscience.ucdavis.edu/avian

**Figure 1. Seasonal Feed Costs - U.S.
2002 vs 2001**



**Figure 2. Seasonal Cost of Producing Eggs - U.S.
2002 vs 2001**

