TRENDS IN CALIFORNIA LAYER FEED PRICES

Over the last sixty years we have seen layer feed prices quadruple from pre-World War II levels of around $2 per 100 pounds to prices in the 1980's of $8 to $10 per 100 pounds. Obviously, the largest contributors to these changes were the increasing costs of ingredients and transportation. At the same time, we have had major changes in the composition of these feeds, in the technologies of manufacture, and in associated costs of production. (Figure 1)

Comparison of feed prices over an extended period is further complicated by the dramatic improvement in the efficiency of the feed being produced today as compared to earlier. As recently as the early 'Sixties, farm average feed conversions were commonly in the 4.5 to 5.0 pounds per dozen range. Today, it is not uncommon to see flocks average 3.5 to 3.7 pounds per dozen from 20 to 405 weeks of age including the molt period.

A closer look at trends during the 1979-83 period shows that 1983 was our highest price year. Annual prices ranged from a low of $7.32 per 100 pounds in 1979 to $8.66 per 100 pounds in 1983. This range represents a cost of production difference of over 5 cents per dozen. (Figure 2)
Analysis of the 1979-83 prices reveals no predictable seasonal influence on feed prices. During this five-year period, monthly feed prices varied an average of ±8% from the annual average. Feed prices in 1980 and 1981, for example, showed almost a reversal in price patterns. (Figure 3)

The absence of reliable monthly price trends is undoubtedly related to the uncertainties associated with the farmers' decision to store crops and the fluctuations in the export market.

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