An **EGG ECONOMICS UPDATE**

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Layer Trends in the U.S. - 1995 to 1999

The number of laying hens in the United States has increased from an annual average of 240 million in 1995 to an estimated 262 million in 1999 - an increase of 22 million laying hens or 5.5 million hens per year. Human population for the same period, on the other hand, increased from 262 million in April of 1995 to 272 million in April of 1999 - an increase of 10 million people or 2.5 million per year. In 1995, we had .916 chickens for each person, while in 1999, we have .963 chickens per-

Egg consumption per person during this same time period has reportedly increased from 234.5 eggs to an expected 245.5 eggs in 1999 - an increase of 11 eggs or 2.75 eggs per person per year.

Figure 1 and 2 illustrate layer and human population changes during the 1995 through 1999 period. Figure 3 shows the changes in per capita egg consumption from 1995 to the present,

**Figure 1. Laying Hen and Human Population Changes**  
**U.S. 1995 through 1999**

![Bar chart showing laying hen and human population changes from 1995 to 1999.](image)

Source: USDA, US Census, United Egg Producers
Figure 2. Laying Hen and Human Populations
us 1995 through 1999 (est.)

Millions

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1999</td>
<td>300</td>
<td>275</td>
<td>250</td>
<td>225</td>
<td>200</td>
</tr>
</tbody>
</table>

Source: USDA, US Census, United Egg Producers

Figure 3. Per Capita Egg Consumption
us 1995 through 1999(est.)

Millions

<table>
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<tbody>
<tr>
<td>1999</td>
<td>250</td>
<td>245</td>
<td>240</td>
<td>235</td>
<td>230</td>
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</table>

Source: USDA, US Census, United Egg Producers
Profits have been moderate to good for the past three years, but profits for 1997, 1998, and 1999 can hardly be attributed to good egg prices. Lower feed prices in 1997 should have reduced costs (and improved profits) by 4.4¢ per dozen and further reduction in feed prices in 1998 should have resulted in another 5.3¢ per dozen reduction in costs. So far in 1999, lower feed prices have reduced costs by another 4.5¢ per dozen (below the same period in 1998) to maintain profits even though US egg prices through March are down 3¢ per dozen below 1998 levels. It would appear that reduced feed prices have bailed egg producers out every year since 1996. How long before surplus hen numbers finally catch up with our inability to lower our costs?

**Figure 4. Feed Costs per Dozen - California**

*1995 through 1999 (through March)*

Feed prices during the first three months of 1999 have been about $1.25 per 100 pounds below 1998 prices during the same period.

Southern California egg industry results for the first three months are shown in Table 1

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Source: University of California
### Table 1. Southern California Table Egg Industry Economic Indicators - Jan-Mar 1999

<table>
<thead>
<tr>
<th>Month</th>
<th>Blend egg price $/doz.</th>
<th>Feed price $ per 100 lbs</th>
<th>Feed lbs per dozen</th>
<th>Feed costs $/doz.</th>
<th>Other costs $/doz.</th>
<th>Total costs $/doz.</th>
<th>Profit $/doz.</th>
<th>No. of dozens per hen</th>
<th>Profits per hen</th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>56.3</td>
<td>6.61</td>
<td>3.77</td>
<td>24.9</td>
<td>21.0</td>
<td>45.9</td>
<td>10.38</td>
<td>1.81</td>
<td>$0.19</td>
</tr>
<tr>
<td>F</td>
<td><strong>45.9</strong></td>
<td>6.56</td>
<td>3.74</td>
<td>24.5</td>
<td>21.0</td>
<td>45.5</td>
<td>0.37</td>
<td>1.81</td>
<td>$0.01</td>
</tr>
<tr>
<td></td>
<td>51.1</td>
<td>3.69</td>
<td>21.0</td>
<td>6.19</td>
<td>1.81</td>
<td><strong>$0.11</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Ave.</td>
<td>51.1</td>
<td>6.55</td>
<td>3.73</td>
<td>24.5</td>
<td>21.0</td>
<td>45.5</td>
<td>5.64</td>
<td>5.43</td>
<td><strong>$0.31</strong></td>
</tr>
</tbody>
</table>

**USDA layer** counts for March 1 of 1999 are estimated to be 264.2 million compared to 255.4 million in 1998 and 249.7 million in 1997. The current nine million increase in hens will simply not support egg prices and thus profits unless producers choose to reduce their flocks within the next several months. Lower feed prices and lower costs of production can’t be expected to provide the relief from surplus production forever.

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