



SOUTH AFRICAN POULTRY ASSOCIATION

Founded 1904

## MONTHLY EGG PRICE REPORT: JANUARY 2017

*Any and all information, data, know-how, documentation, materials and other communications, written or oral, which are disclosed or provided to SAPA or its designees by a SAPA member shall be regarded as confidential information belonging to that member and will not be disclosed to any other member*

### Representation:

The statistics are compiled from data provided by SAPA members. This report represents 18.0% of total potential egg production for the month. The report normally includes a split between cage and free range/barn eggs, but this was excluded this month due to insufficient respondents. Cull hen prices and pullet prices exclude VAT.

### 1. SUMMARY OF KEY INDICATORS

Table 1: Sample sales volumes and values

		<b>Total</b>	<b>Graded</b>	<b>Ungraded</b>
<b>Cages</b>	<b>Dozens</b>	9 433 647	6 559 288	2 874 359
	<b>Rands</b>	R 123 900 451	R 91 575 543	R 32 324 908

Table 2: Average prices

	<b>Total R/doz</b>	<b>Graded R/doz</b>	<b>Ungraded R/doz</b>
<b>Cages</b>	<b>R13.13</b>	<b>R13.96</b>	<b>R11.25</b>

### 2. EGG PRICE ACROSS ALL SIZES

The monthly movement in the average egg price (all sizes, excluding free range/barn) is shown in Graph 1.

The January 2017 price for cage eggs was R13.13 per dozen.

- Compared to December 2016 the egg price decreased by 4.9%;
- Compared to January 2016 it increased by 0.8%.

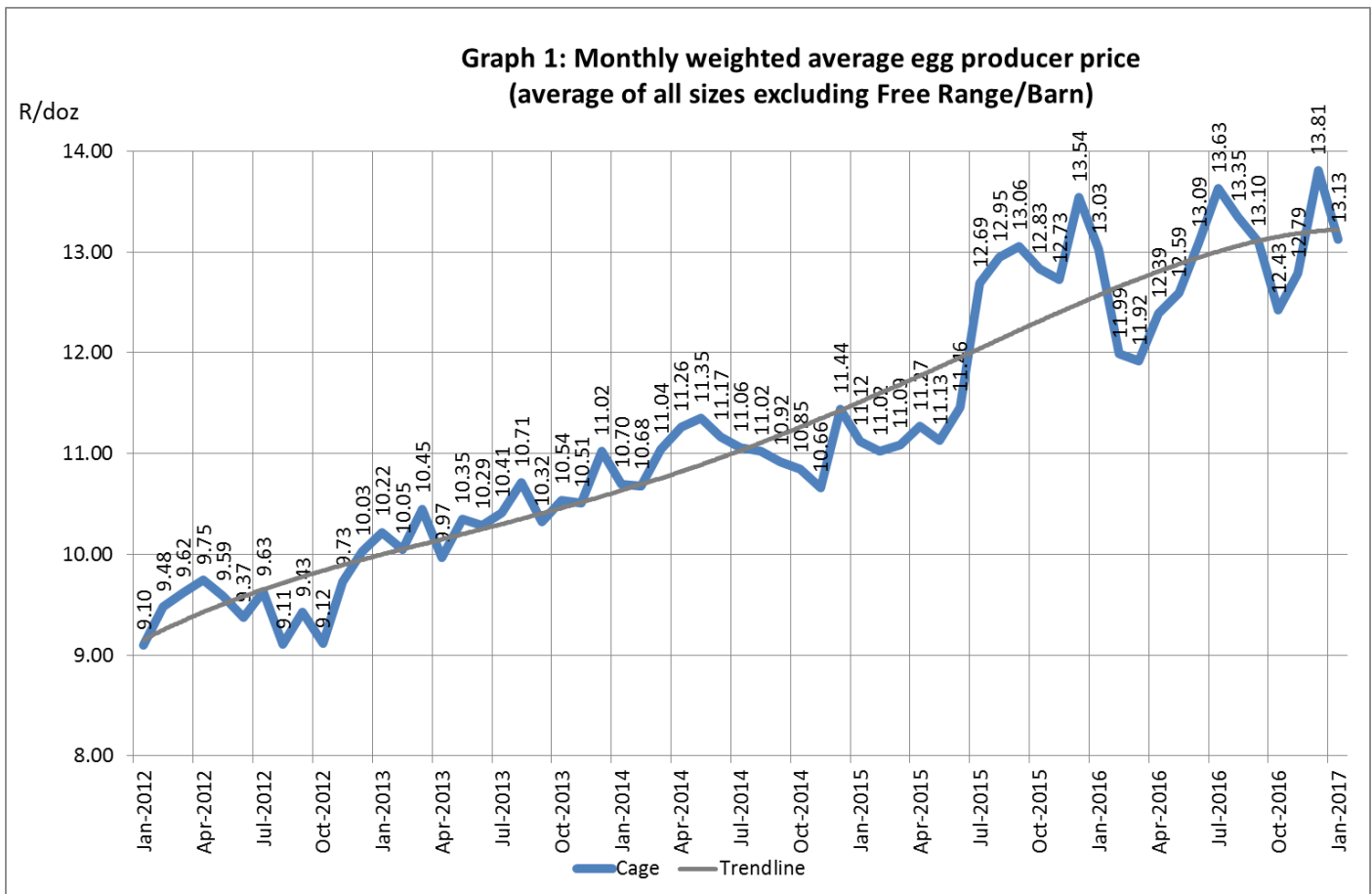


Table 4 shows the average egg prices (excluding Free Range/barn) since 2012 and the year-on-year percentage change.

Table 4: Egg prices (weighted averages, excluding Free Range/barn)

Year	2012	2013	2014	2015	2016	2017
R/doz	9.50	10.40	11.01	12.07	12.84	13.13
% change	1.8	9.5	5.9	9.6	10.2	2.2

### **3. EGG PRICE FOR GRADED AND UNGRADED EGGS**

The movement in the producer price since January 2012, for both graded and ungraded eggs (excluding Free Range/barn eggs), is depicted in Graph 2.

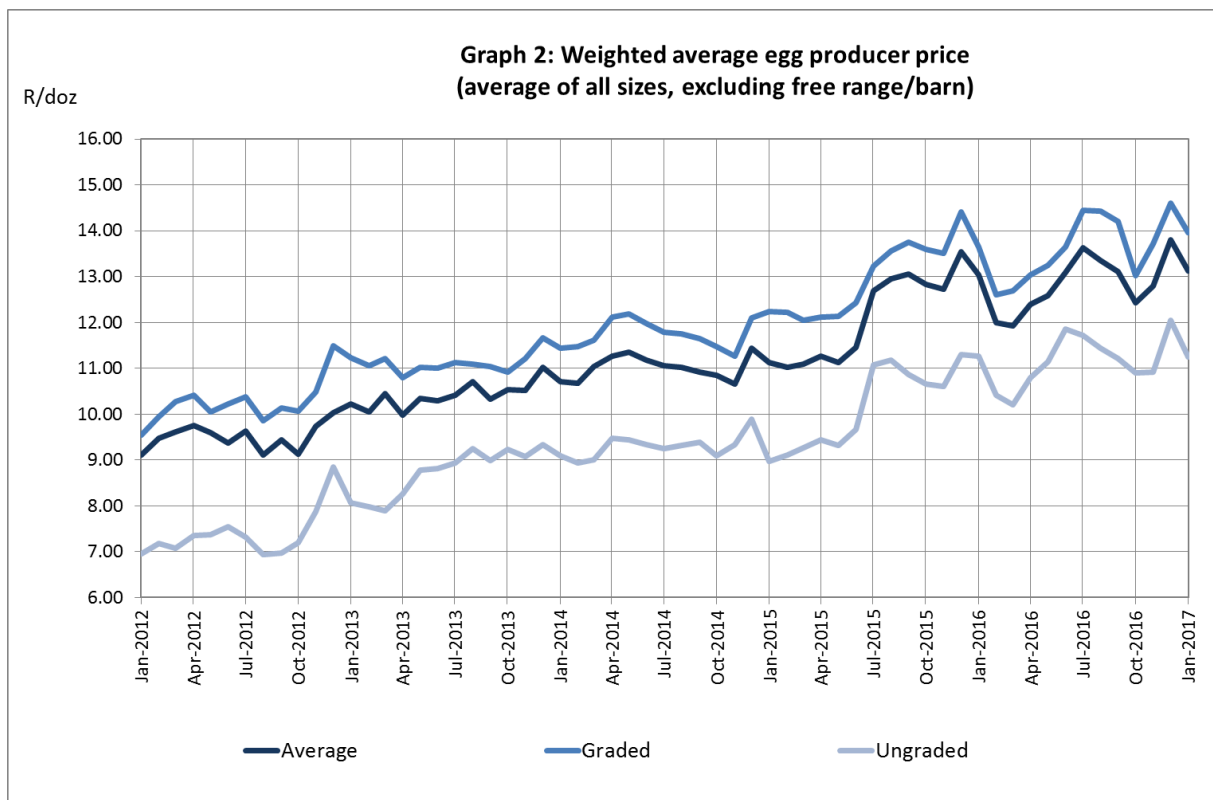
During January 2017 the average egg price for graded eggs (excluding Free Range/Barn eggs) was R13.96 per dozen.

- This is a decrease of 4.4% in comparison with December 2016;
- This is an increase of 2.3% in comparison with January 2016.

In the same month the average egg price for ungraded eggs (excluding Free Range/Barn eggs) was R11.25 per dozen.

- This is a decrease of 6.6% in comparison with December 2016;
- This is a decrease of 0.2% in comparison with January 2016.

In the sample surveyed, of the total dozens sold for January 2017, 70% were graded and 30% were ungraded.



#### 4. FEED PRICE

The weighted average feed price includes distribution but excludes medication, additives and VAT.

The monthly average feed price for January 2017 was R4043.00/ton. It decreased by 0.8% on a monthly basis and increased by 9.1% on a yearly basis (Graph 3).

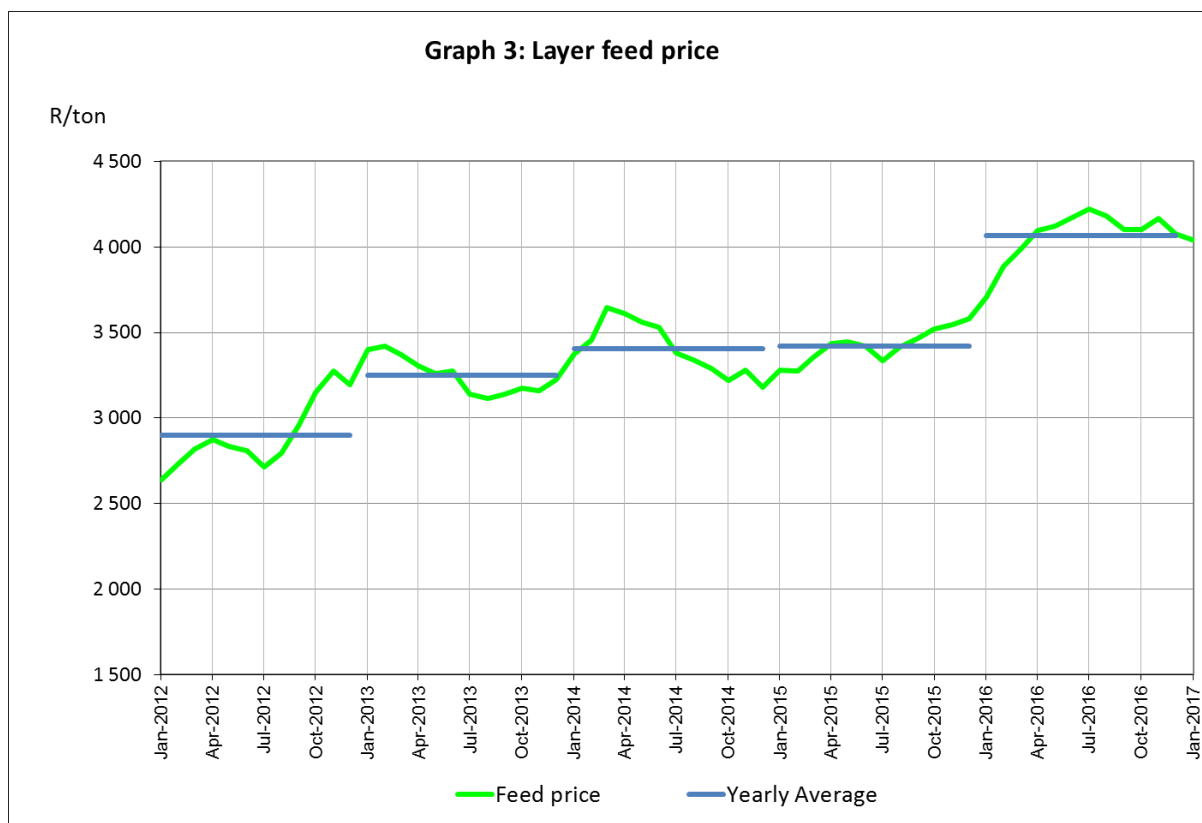


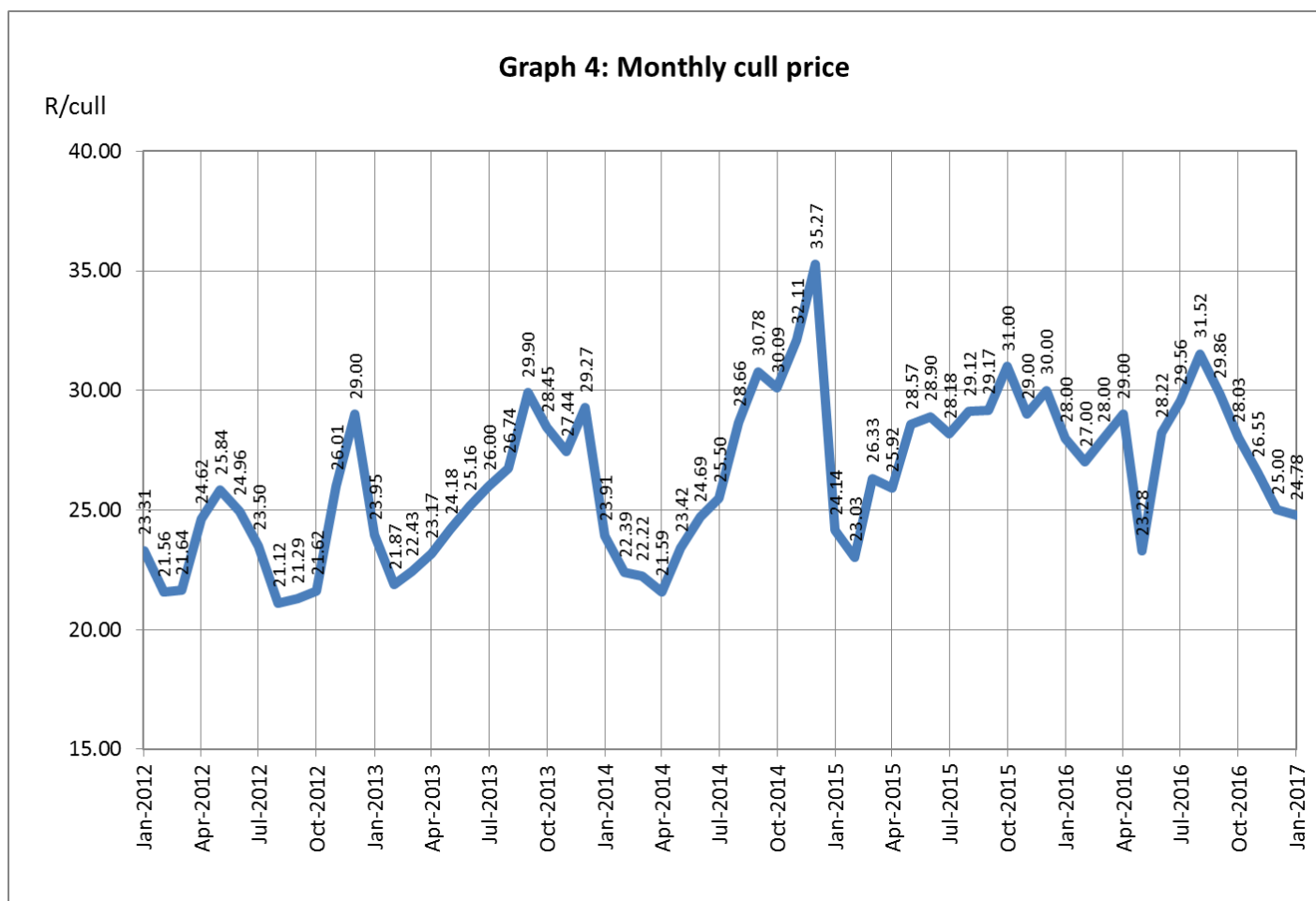
Table 5 shows the average feed prices since 2012 and the year-on-year percentage change.

Table 5: Feed prices

Year	2012	2013	2014	2015	2016	2017
R/ton	2 900	3 248	3 405	3 422	4 069	4043
% change	+23.7	+12.0	+4.8	+0.49	+18.9	-0.63

## 5. CULL PRICE AND AGE

The average price per cull hen for the month of January 2017 was R24.78, a decrease of 0.9% on a monthly basis and a decrease of 11.5% on a yearly basis (Graph 4).



The average cull age at depletion during January 2017 was 72.0 weeks.

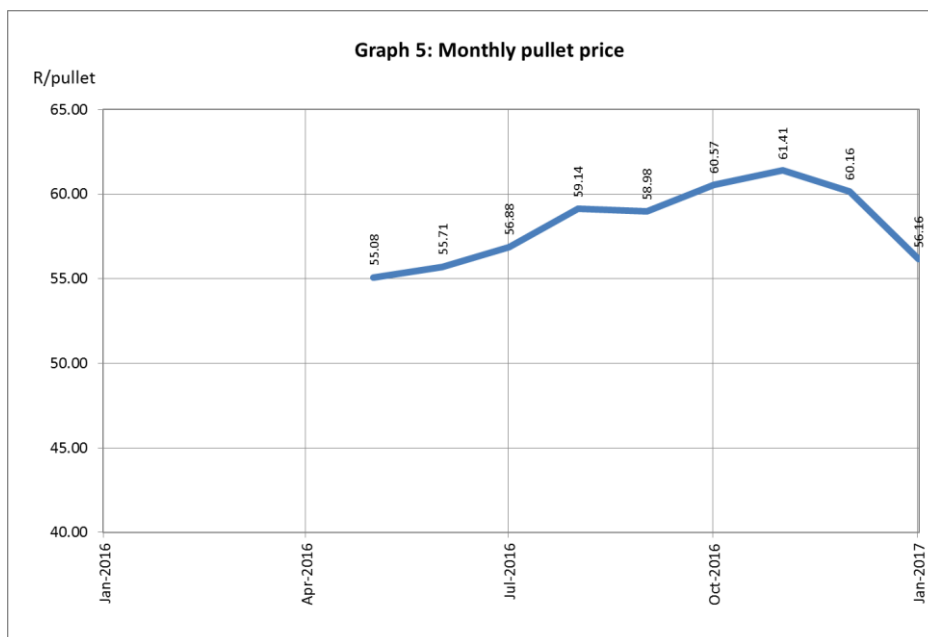
Table 6 shows the average cull prices since 2012 and the year-on-year percentage change, as well as the average cull age.

Table 6: Cull hen prices

Year	2012	2013	2014	2015	2016	2017
R/hen	23.71	25.71	26.72	27.78	27.84	24.78
% change	+5.8	+8.5	+3.9	+3.97	+0.20	-11.0
Age (weeks)	72.5	73.4	75.2	74.8	71.8	72

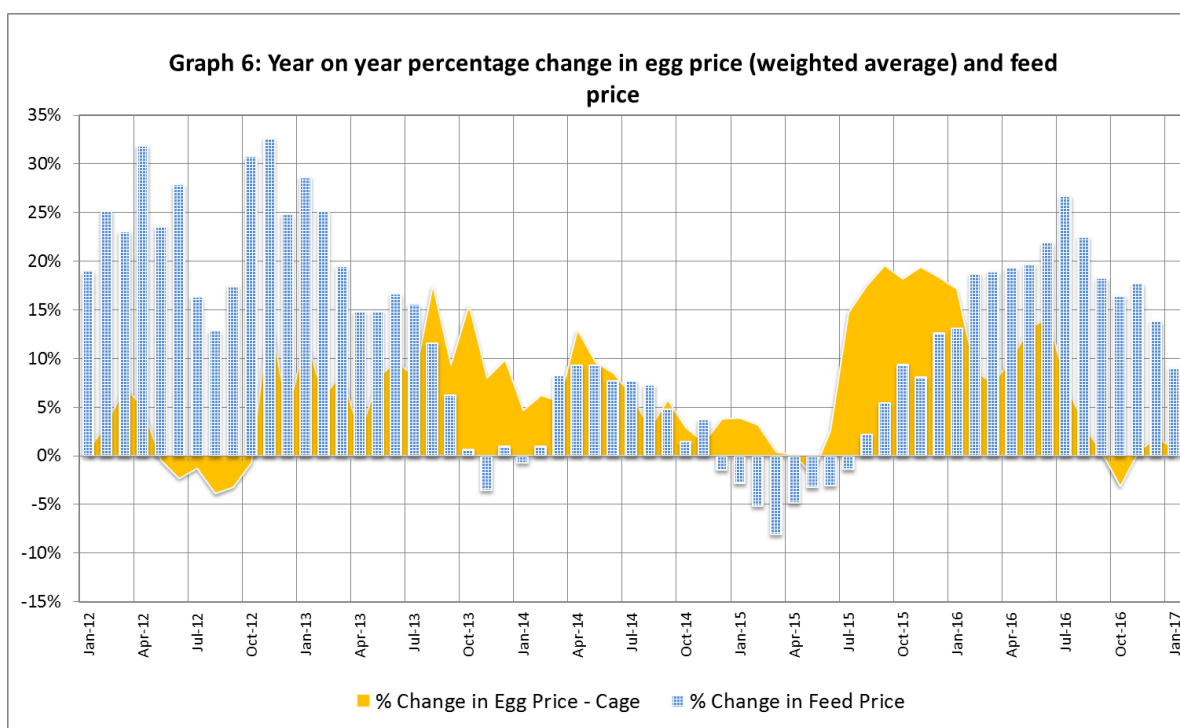
## 6. PULLET PRICES

The average price per pullet for the month of January 2017 was R56.16, a decrease of 6.7% on a monthly basis.



## 7. CHANGE IN EGG AND FEED PRICES

Year-on-year % changes in egg price and feed price are shown in Graph 6, which provides a visual account of the information contained in Tables 3 and 4. It clearly indicates why egg producers suffered financially during most of 2011 and 2012, when feed prices escalated way above the inflation rate and egg prices deflated. The situation improved dramatically in the latter part of 2013 and 2014, and the improvement continued in 2015, although the positive gap narrowed as the feed price increased. February to September 2016 shows an increase in the egg price and higher increases in the feed price. Unfortunately, the October 2016 and November 2016 situation was a positive feed price increase and a negative egg price increase. December 2016 was a small positive egg price increase and a larger feed price increase.



Definition of egg price:

Egg producer price, excluding rejects and pulp, after rebates, ad spend, “price offs” and settlement discounts; including packaging.

**DISCLAIMER:**

*The views expressed in SAPA STATS reports reflect those of SAPA in collaboration with its independent consultants and do not constitute any specific advice as to decisions or actions that should be taken. While every care has been taken in preparing documents no representation nor warranty or any expressed or implied undertaking is given and no responsibility or liability is accepted by SAPA as to the accuracy or completeness of the information contained herein whether as electronic data or as a finished report. SAPA or its independent consultants do not accept responsibility or liability for any damages of whatsoever nature which any person may suffer as a result of any decision or action taken on the basis of the information contained herein. All opinions and estimates contained in the reports may be changed after publication without notice.*

*All forecasts of future production, prices, trade or feed and feed ingredient trends are based on the opinion of independent consultants contracted to SAPA. These forecasts are for guideline purposes only and SAPA does not, in any way, warrant that these predictions will be realised. SAPA therefore cautions any user of this information to treat it in an appropriate manner. These statistical reports and/or electronic data are placed in the public domain and may be used by other parties conditional to the source of the data/ report being attributed to SAPA.*