SOUTH AFRICAN POULTRY ASSOCIATION
Founded 1904

EGG INDUSTRY PRODUCTION REPORT FOR SEPTEMBER 2020

PLEASE NOTE:

- The source base of stats on day-old pullets placed includes all suppliers.
- The model was adjusted from July 2017 to account for the culling of layers due to the HPAI outbreak; 4.69 million hens were taken out up to the end of October 2017. A further 30 000 laying hens were removed in June 2018.
- The model has been adjusted to allow for the day-old pullet exports as from January 2018, and point of lay pullets exported from March 2020.
- **September 2019: New breed standards have been applied to the model and the laying cycle has been extended by 4 weeks to 78 weeks.** This was gradually phased in from November 2017 so that the changes were fully implemented by January 2019. Hen and egg numbers have increased as a result.

EGG PRODUCTION STANDARDS

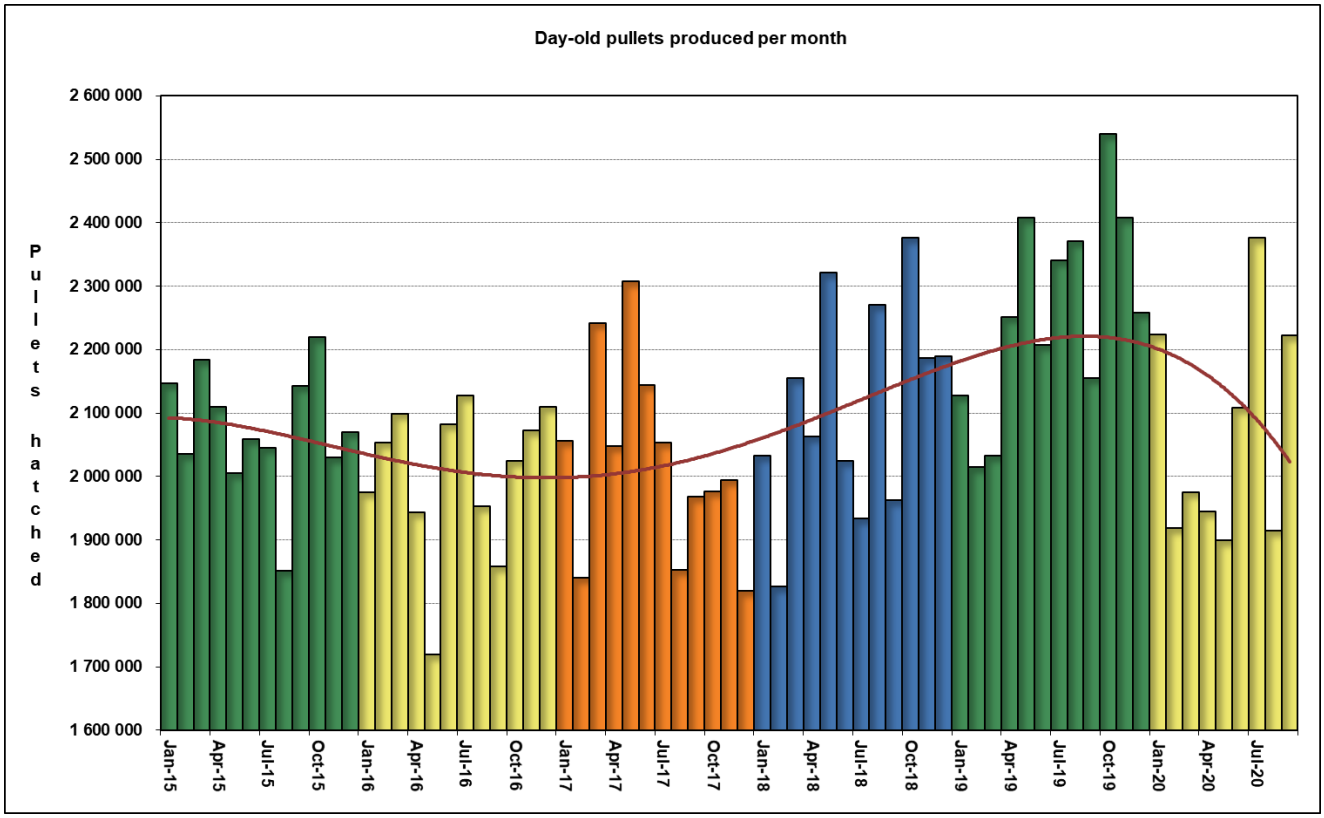
The projected national laying flock and potential cases of eggs produced per week are based on the following standards:

	2011 Production Standards	**2019 Production Standards**
Fully implemented:	December 2011	January 2019
Survival rate during the rearing phase	96%	96%
Mortality per week during the laying cycle	0.13%	0.09%
Laying cycle (see note above)	18 to 74 weeks	18 to 78 weeks
Average hen-day production	84.5%	86.3%

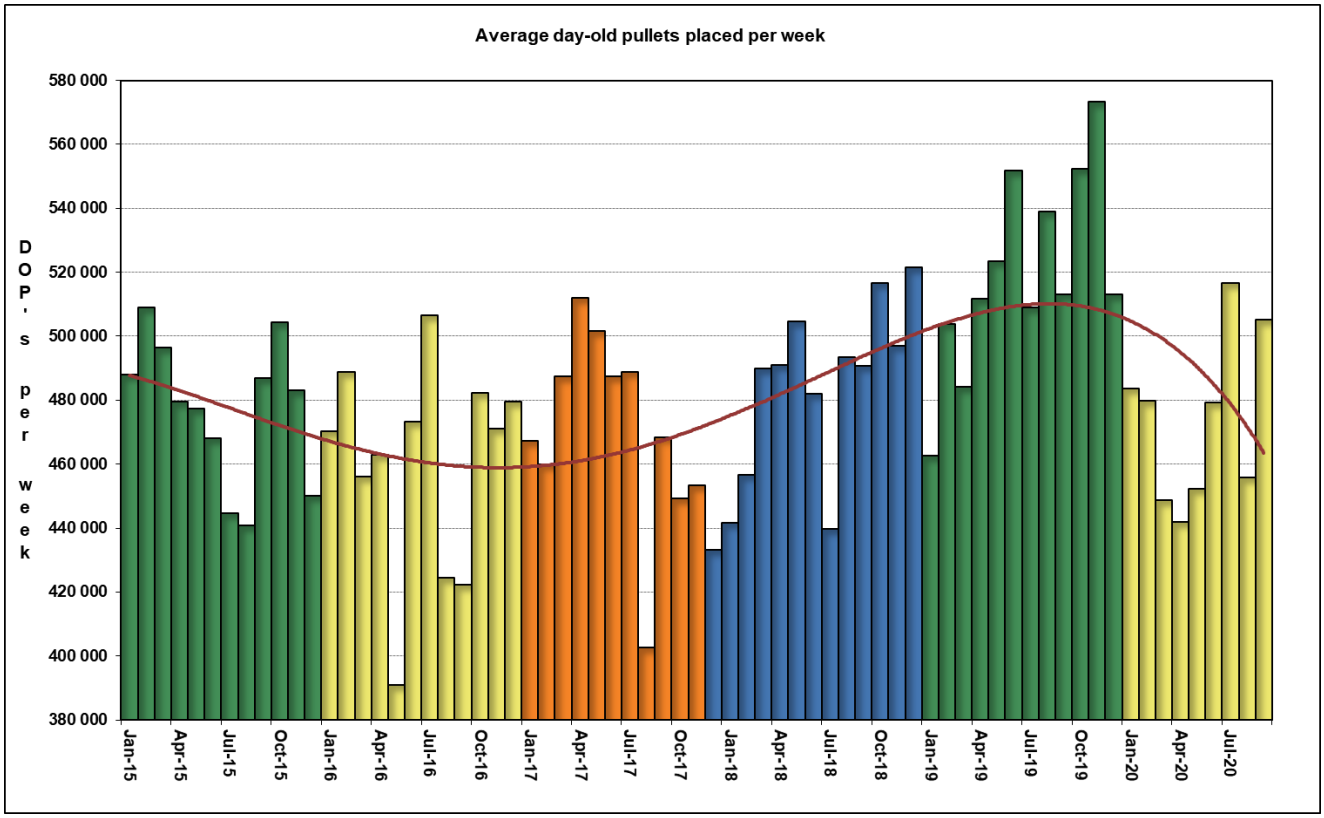
1. DAY-OLD PULLET PRODUCTION

2.22 million day-old pullets were produced in September 2020. This is an increase of 308 400 (+16.1%) compared to August 2020 and an increase of 67 800 (+3.1%) pullets compared to September 2019 (Graph 1). Variations between consecutive months may be attributed in part to varying numbers of hatching days per month.

The weekly average number of day-old pullets hatched for September 2020 was 505 100 (Graph 2). This is a month-on-month increase of 49 400 (+10.8%) and a year-on-year decrease of 7 900 (-1.5%) pullets.



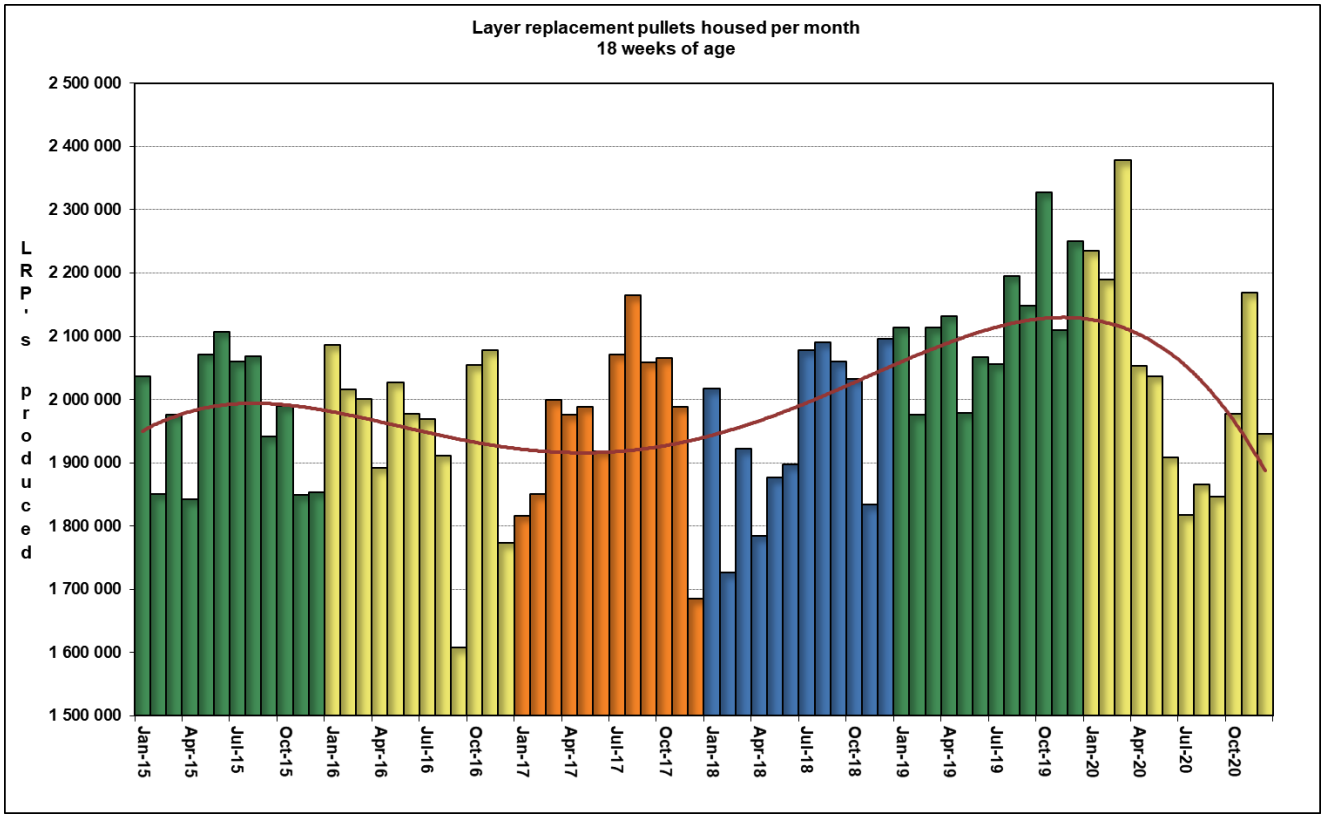
GRAPH 1: Monthly day-old pullet production



GRAPH 2: Weekly day-old pullet production

2. POINT-OF-LAY PULLETS

A total of 1.85 million layer replacement pullets were transferred to the laying flock during the month under review (Graph 3). Compared to the same month of the previous year this is a decrease of 302 100 birds (-14.1%). The projected number of point-of-lay pullets to be transferred in December 2020 is 1.95 million.

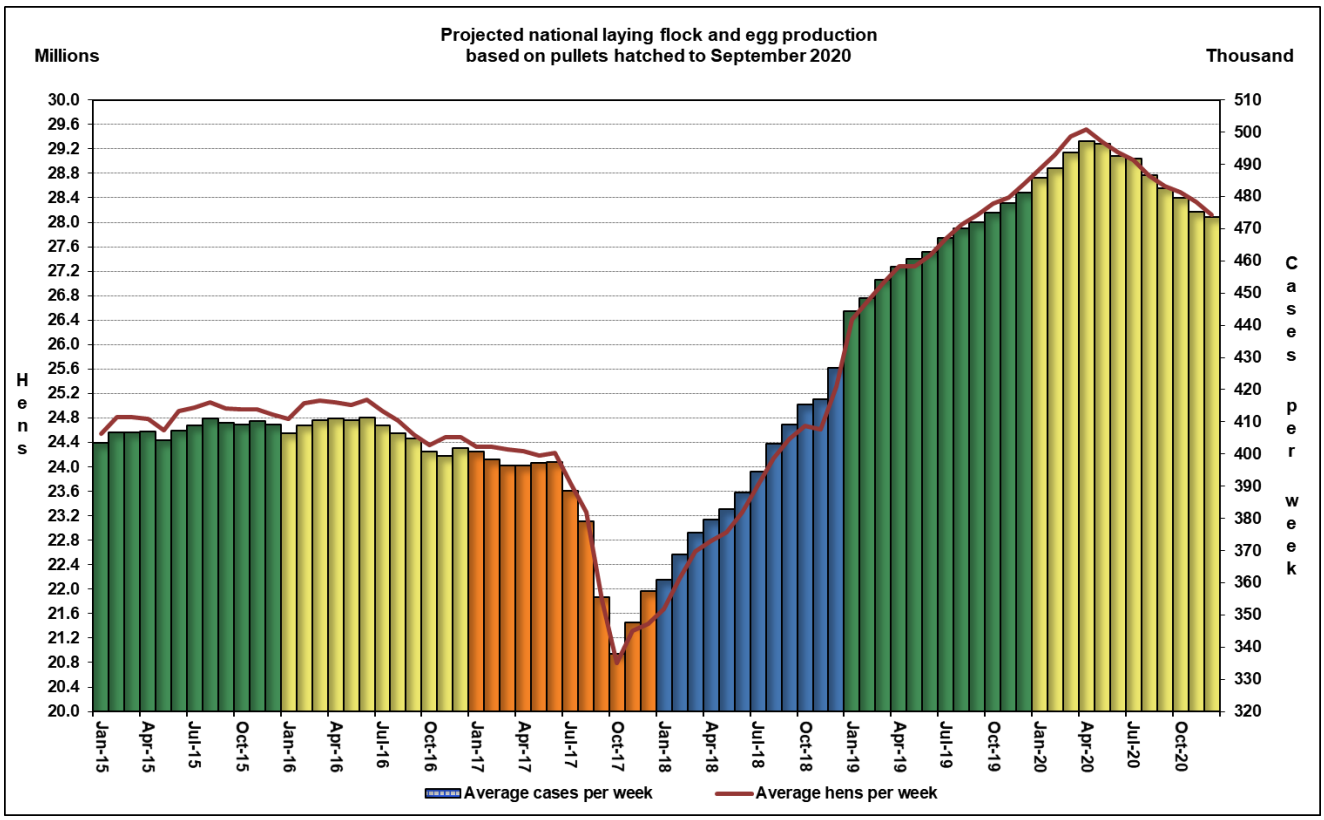


GRAPH 3: The projected number of layer replacement pullets

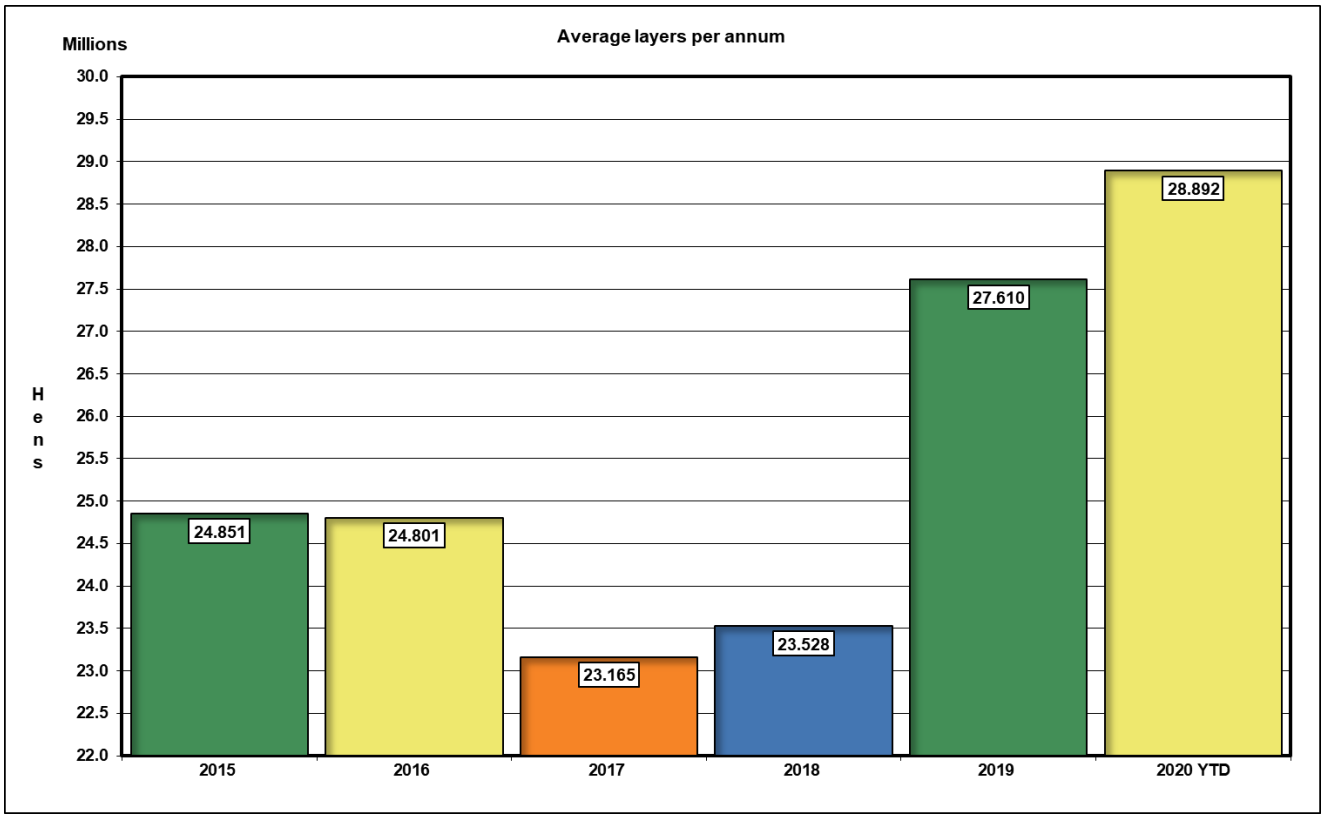
3. PROJECTED LAYING FLOCK

A laying flock of 28.6 million hens was estimated for September 2020. This is a month-on-month decrease of 171 700 hens (-0.6%) and a year-on-year increase of 473 000 hens (+1.7%; partly due to the extended laying cycle). The projected number of laying hens for December 2020 is 28.1 million (Graph 4).

The annual average number of laying hens from 2015 onwards is illustrated in Graph 5. The average flock size for 2019 was 17.4% larger than it was in 2018. This is due in part to the 7.0% annual increase in day-old pullet production in 2019. The remainder is a consequence of the extended laying cycle and new breed standards applied to the forecasting model. The average flock size for 2020 (to December) is expected to be 4.7% larger than it was in 2019.



GRAPH 4: The projected national laying flock and cases of eggs

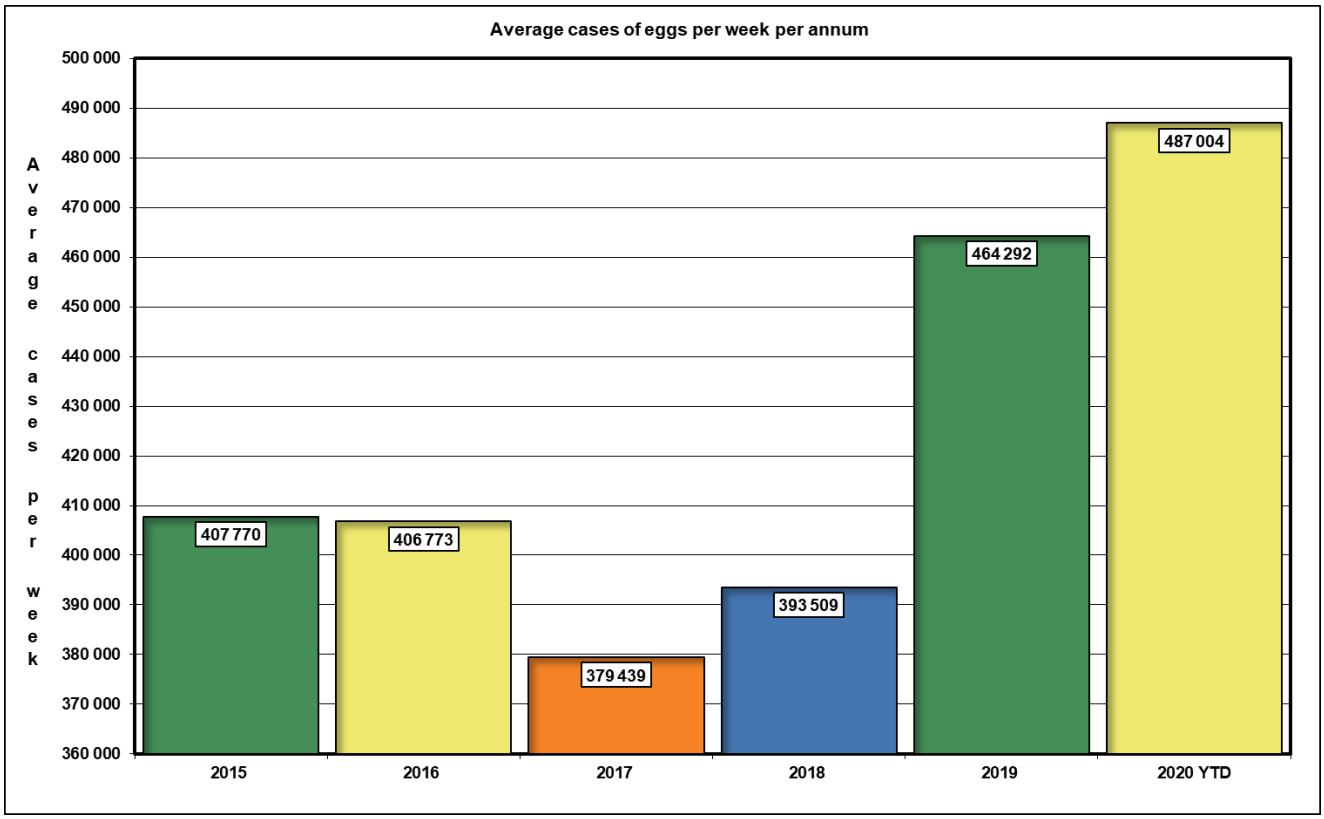


GRAPH 5: The size of the national laying flock since 2015

4. FORECASTED EGG PRODUCTION

In September 2020 an average of 482 600 cases of eggs was produced per week (Graph 4); a monthly decrease of 4 100 cases (-0.8%). The average weekly egg production during September 2020 increased by 10 500 cases (+2.2%) compared to September 2019. The rate of lay for the national flock for the month under review was estimated to be 86.8%.

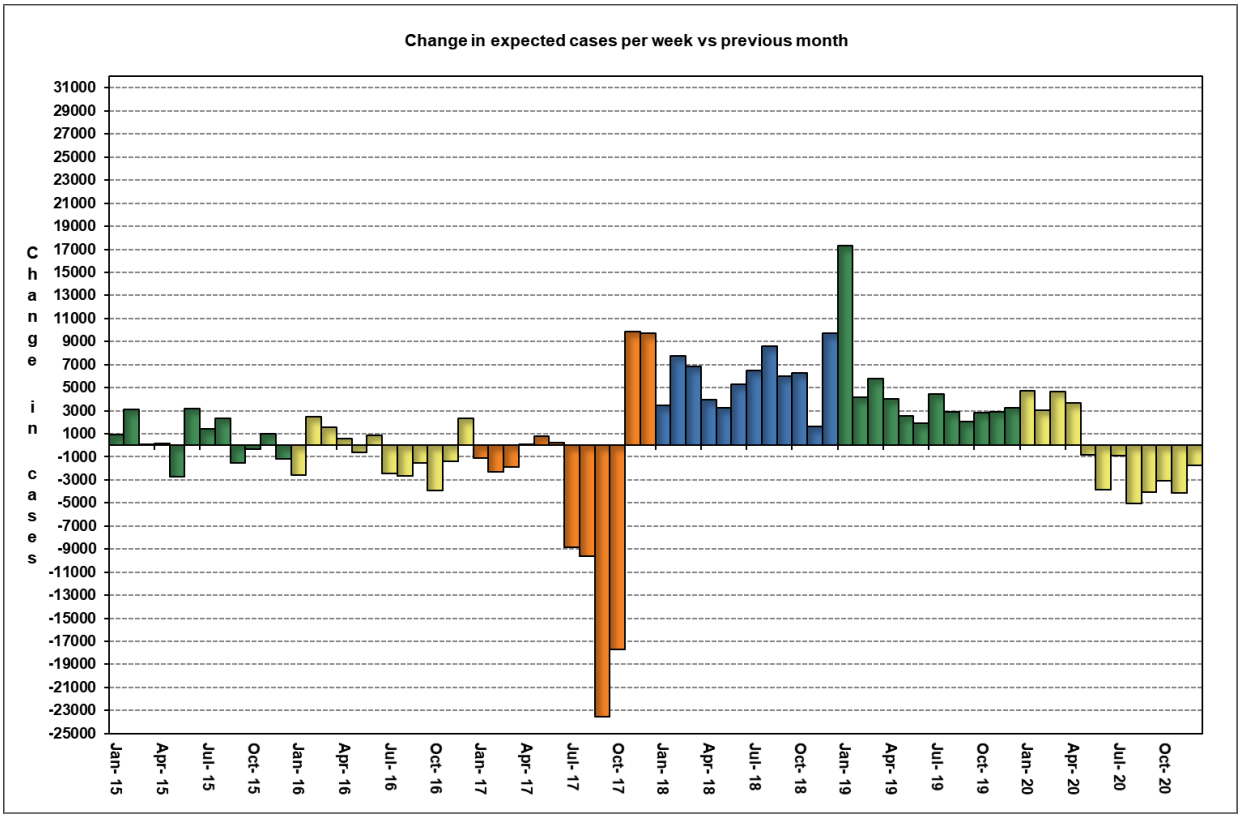
An average of 487 000 cases per week is expected for the year 2020 (up to December, Graph 6); an increase of 4.9% over 2019 volumes.



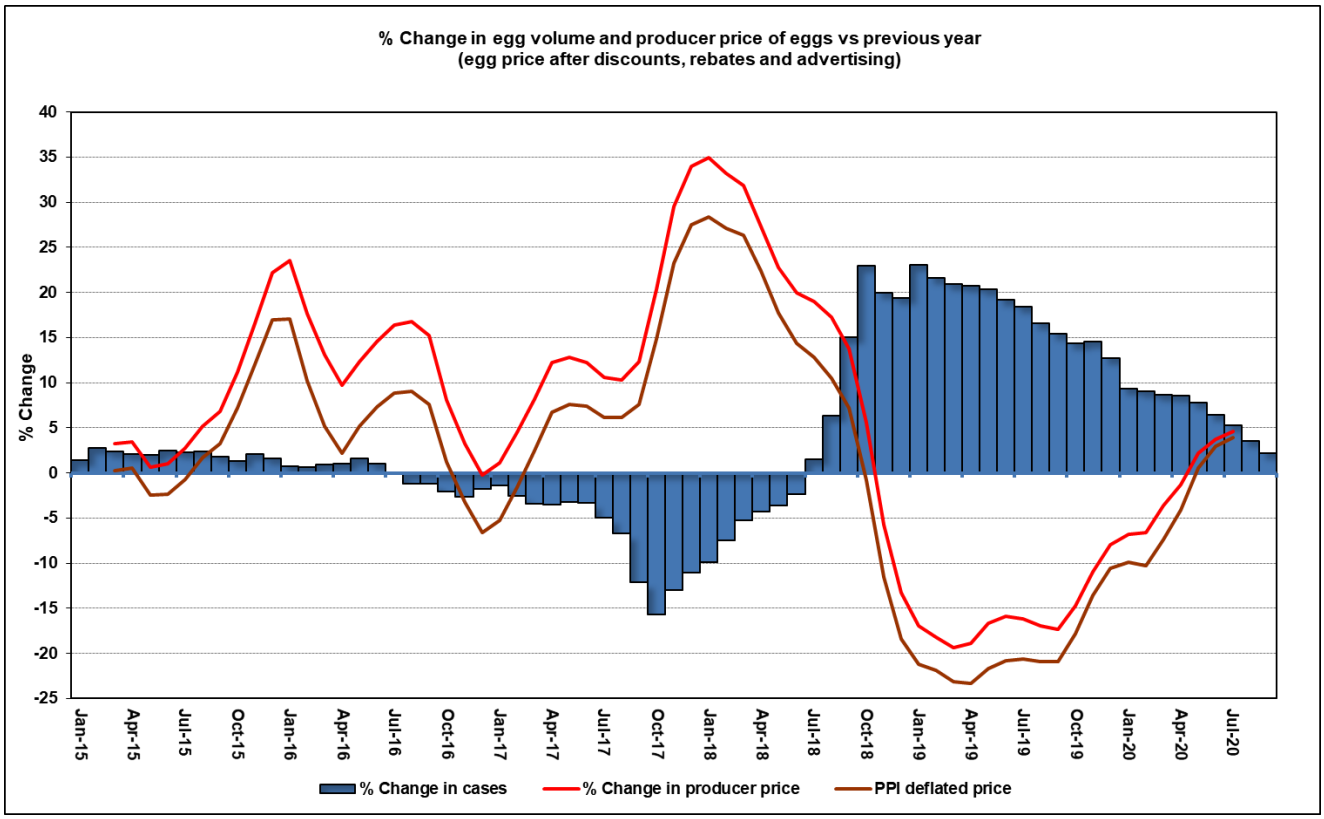
GRAPH 6: The trend in egg production since 2015

The month-on-month change in volume of eggs produced is shown in Graph 7. The effect of the HPAI outbreak on egg volumes is evident in the second half of 2017. In December 2020, 1 700 fewer cases per week are expected compared to November 2020. The jump in volumes in 2019 is caused by the changes to the egg forecasting model. There was a steady increase during the year; the difference between January 2019 and December 2019 is expected to be 37 000 cases per week (all using the same standards). The first decrease in egg numbers (cases per week) was in May 2020, with a further decrease in June to September 2020.

Graph 8 illustrates the relationship between annual changes in egg volumes and producer price. The large decrease in volumes in the second half of 2017 caused an escalation in the egg price. The prices continued to show year-on-year increases to September 2018, but at a slower rate. From October 2018 to April 2020 the prices decreased year-on-year as volumes increased. There were small increases in price in May and June 2020.



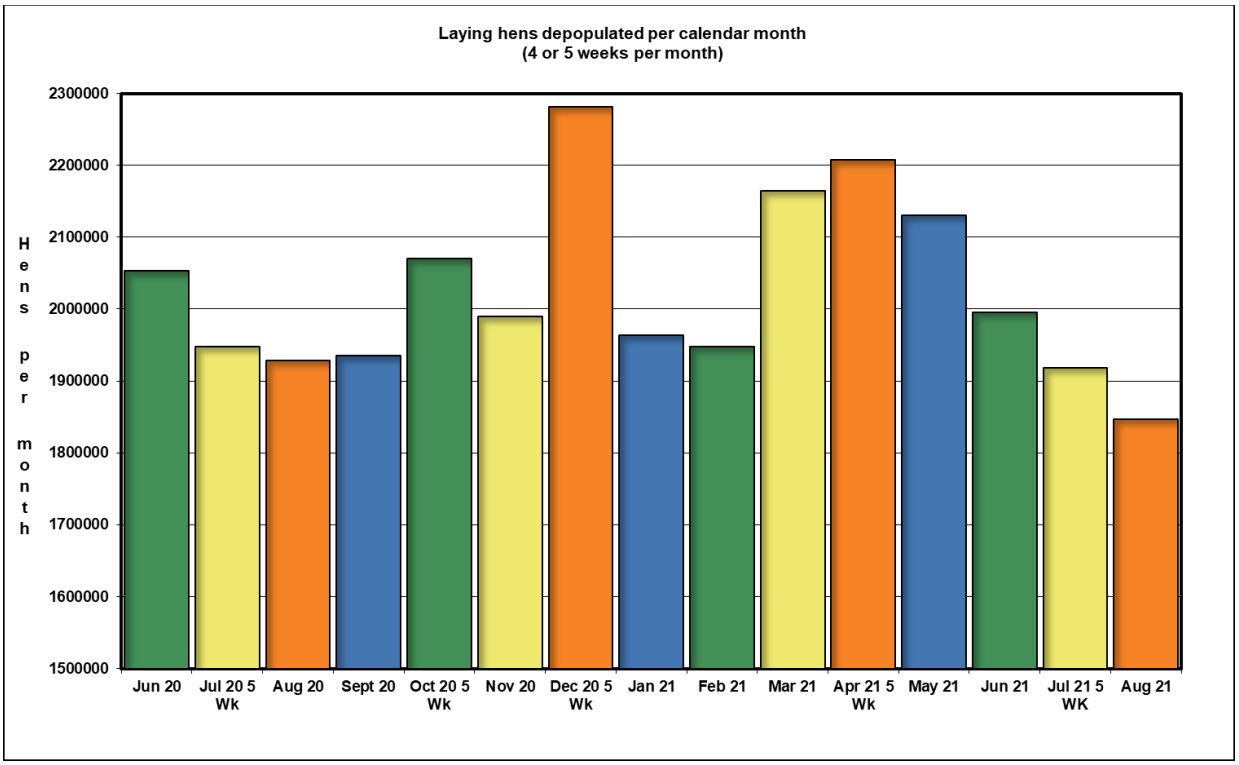
GRAPH 7: The monthly movement in egg volumes



GRAPH 8: The relationship between egg supply and producer price

5. HEN DEPOPULATION

Graph 9 shows the forecasted monthly number of layers to be depopulated at 78 weeks of age, to August 2021. In September 2020, 1.94 million spent hens were due to be culled.



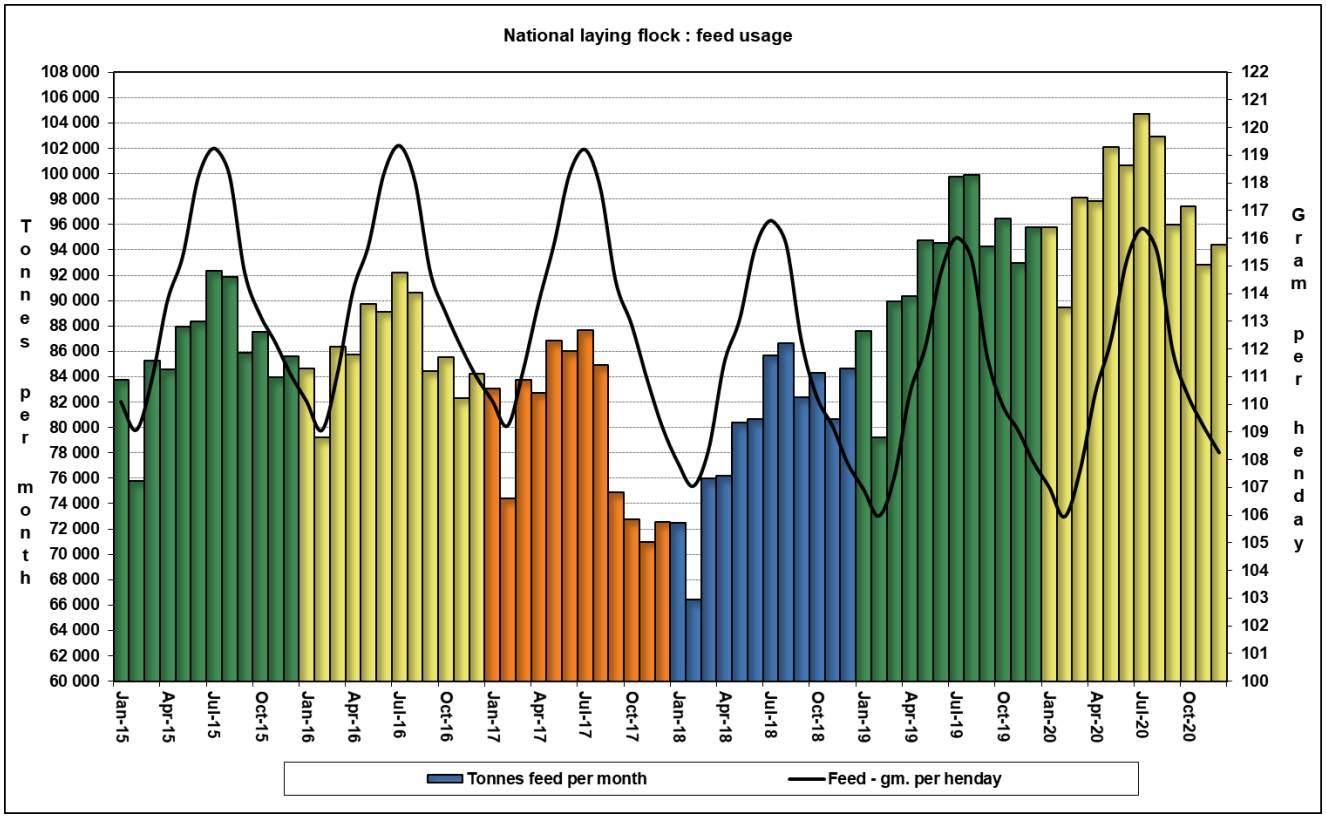
Graph 9: Laying hens depopulated

6. FEED USAGE

96 000 tonnes of layer feed were expected to be consumed during September; 1 700 tonnes (+1.9%) more than in September 2019. An average g/hd intake of 111.9 was forecast for the month (Graph 11). Feed conversion was estimated at 1.55 kg/dozen or 2.10 kg/kg.

Total tonnages have increased owing to the growth in the size of the national laying flock. Gram per hen day intakes have decreased as a result of the introduction of new breed standards (performance objectives), which give weighted average intakes of 111 g/hd compared to 114 g/hd in the old standards.

Note: A seasonal trend index is applied to the model to allow for temperature-related seasonal changes in feed intake.



GRAPH 10: Tonnes of feed consumed and gram per henday intakes

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EGG INDUSTRY : KEY RESULTS - SEPTEMBER 2020

(Projections are based on day-old pullets placed per week to September 2020)

	Hatch days	Calendar Days	Day-old Pullets placed		Laying hens	Eggs Produced (Cases)	
Month on Month	**/Month**	**/Month**	**/Month**	**/Week**	**Average**	**/Month**	**/Week**
September 2020	22	30	2 222 335	505 076	28 592 943	2 068 268	482 596
August 2020	21	31	1 913 929	455 697	28 764 670	2 155 247	486 669
Change			308 406	49 379	-171 727	-86 979	-4 073
% Change			16.11%	10.84%	-0.60%	-4.04%	-0.84%
Year on Year	**/Month**	**/Month**	**/Month**	**/Week**	**Average**	**/Month**	**/Week**
September 2020	22	30	2 222 335	505 076	28 592 943	2 068 268	482 596
September 2019	21	30	2 154 578	512 995	28 119 985	2 023 248	472 091
Change			67 757	-7 919	472 958	45 020	10 505
% Change			3.14%	-1.54%	1.68%	2.23%	2.23%
Year to date	**/Period**	**/Period**	**/Period**	**/Week**	**Average**	**/Period**	**/Week**
	January-September		January-September		Jan-Sept	Jan-Sept	
2020	196	274	18 582 971	473 648	29 084 088	19 204 387	490 623
2019	195	273	19 910 239	510 932	27 334 003	17 932 762	459 814
Change			-1 327 268	-37 284	1 750 086	1 271 624	30 809
% Change			-6.67%	-7.30%	6.40%	7.09%	6.70%
Full year forecasts	**/Period**	**/Period**	**/Period**	**/Week**	**Average**	**/Period**	**/Week**
Jan-Dec 2019	261	365	27 116 566	519 762	27 614 913	24 214 408	464 386
Jan-Dec 2018	261	365	25 343 047	485 410	23 535 903	20 526 488	393 659
Change			1 773 519	34 352	4 079 010	3 687 920	70 727
% Change			7.00%	7.08%	17.33%	17.97%	17.97%

NOTE:
Month or Period: Refers to a calendar month or period
Week: Refers to an average 7 day week of which all 7 days fall within the specified month or period

ASSUMPTIONS
1: All surviving day-old pullets placed will be transferred to the laying flock at 18 weeks of age.
2: Depopulation age: Nov 2013 - 74 weeks; Nov 2017 - 78 weeks
3: No deviation from the accepted production standards and procedures, due to disease, changes in production planning, etc. is expected.

APPENDIX A – SAPA: WEEKLY SCHEDULE

Starting Monday	Reporting month	Weeks/ month
07-Jan-19	January	4
14-Jan-19	2019	
21-Jan-19		
28-Jan-19		
04-Feb-19	February	4
11-Feb-19	2019	
18-Feb-19		
25-Feb-19		
04-Mar-19	March	4
11-Mar-19	2019	
18-Mar-19		
25-Mar-19		
01-Apr-19	April	5
08-Apr-19	2019	
15-Apr-19		
22-Apr-19		
29-Apr-19		
06-May-19	May	4
13-May-19	2019	
20-May-19		
27-May-19		
03-Jun-19	June	4
10-Jun-19	2019	
17-Jun-19		
24-Jun-19		
01-Jul-19	July	5
08-Jul-19	2019	
15-Jul-19		
22-Jul-19		
29-Jul-19		
05-Aug-19	August	4
12-Aug-19	2019	
19-Aug-19		
26-Aug-19		
02-Sep-19	September	5
09-Sep-19	2019	
16-Sep-19		
23-Sep-19		
30-Sep-19		
07-Oct-19	October	4
14-Oct-19	2019	
21-Oct-19		
28-Oct-19		
04-Nov-19	November	4
11-Nov-19	2019	
18-Nov-19		
25-Nov-19		
02-Dec-19	December	5
09-Dec-19	2019	
16-Dec-19		
23-Dec-19		
30-Dec-19		

Starting Monday	Reporting month	Weeks/ month
06-Jan-20	January	4
13-Jan-20	2020	
20-Jan-20		
27-Jan-20		
03-Feb-20	February	4
10-Feb-20	2020	
17-Feb-20		
24-Feb-20		
02-Mar-20	March	5
09-Mar-20	2020	
16-Mar-20		
23-Mar-20		
30-Mar-20		
06-Apr-20	April	4
13-Apr-20	2020	
20-Apr-20		
27-Apr-20		
04-May-20	May	4
11-May-20	2020	
18-May-20		
25-May-20		
01-Jun-20	June	5
08-Jun-20	2020	
15-Jun-20		
22-Jun-20		
29-Jun-20		
06-Jul-20	July	4
13-Jul-20	2020	
20-Jul-20		
27-Jul-20		
03-Aug-20	August	5
10-Aug-20	2020	
17-Aug-20		
24-Aug-20		
31-Aug-20		
07-Sep-20	September	4
14-Sep-20	2020	
21-Sep-20		
28-Sep-20		
05-Oct-20	October	4
12-Oct-20	2020	
19-Oct-20		
26-Oct-20		
02-Nov-20	November	5
09-Nov-20	2020	
16-Nov-20		
23-Nov-20		
30-Nov-20		
07-Dec-20	December	4
14-Dec-20	2020	
21-Dec-20		
28-Dec-20		