



SOUTH AFRICAN POULTRY ASSOCIATION

Founded 1904

MONTHLY EGG PRICE REPORT: JULY 2020

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 egg producers. The information is collected by SAPA's auditors and handled confidentially; SAPA only receives the aggregated data. This report represents 20.9% of total potential egg production for the month. **If you are a producer who reads and uses this report, please send your data to be included.** Contact Cynthia at Silverpath Consulting (cynthia@sapoultry.co.za or cynthia@silverpath.co.za) for the input forms.

All prices exclude VAT.

1. SUMMARY OF KEY INDICATORS

Table 1: Sample sales volumes and values

		Total	Graded	Ungraded
Cages	Dozens	13 547 636	10 724 692	2 822 944
	Rands	R201 538 724	R163 601 411	R37 937 313

Table 2: Average prices

	Total R/doz	Graded R/doz	Ungraded R/doz
Cages	R14.88	R15.25	R13.44
Free Range/Barn	R22.46	R22.46	n/a

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 July 2020 price for cage eggs was R14.88 per dozen.

- Compared to June the egg price decreased by 3.1%;
- Compared to July 2019 it increased by 4.0%.

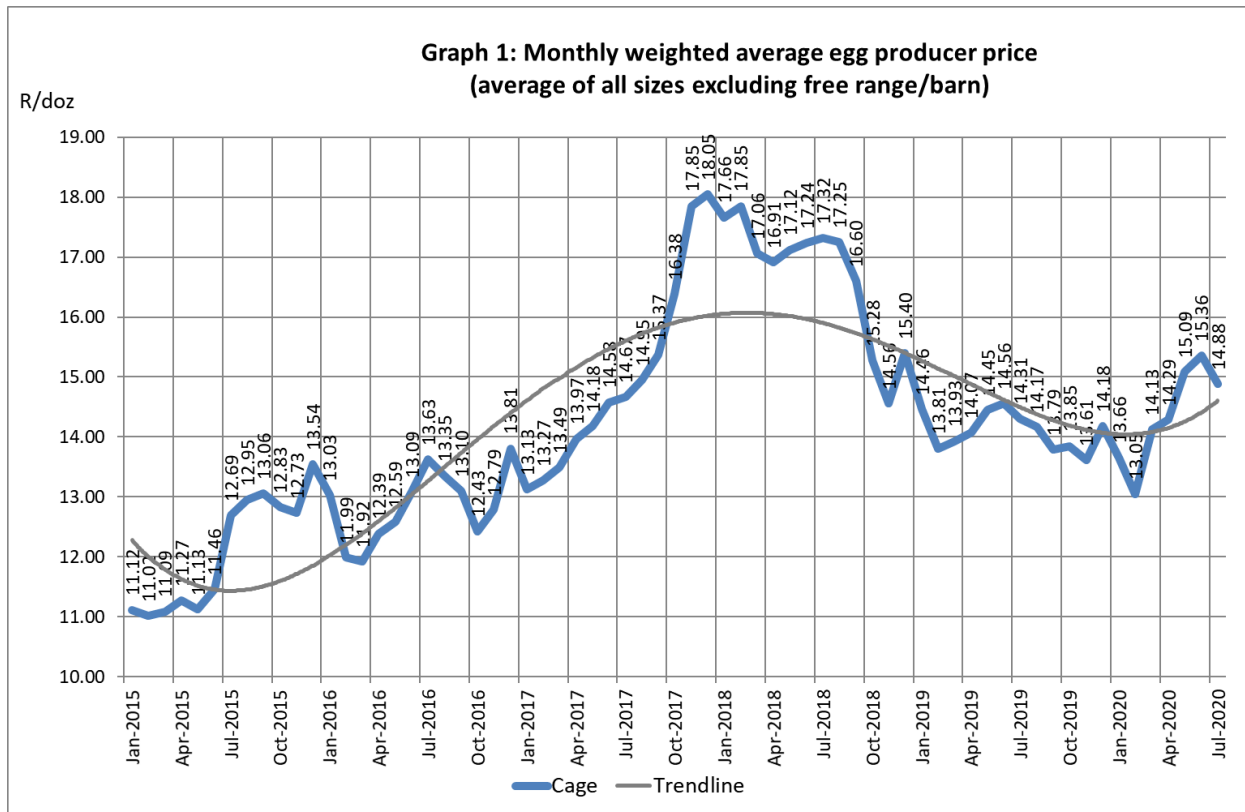


Table 3 shows the average egg prices (excluding free range/barn) since 2015 and the year-on-year percentage change.

Table 3: Egg prices

Year	2015	2016	2017	2018	2019	2020 YTD
R/dozen	12.07	12.84	14.99	16.69	14.10	14.35
% change	+9.6	+6.4	+16.7	+11.3	-15.5	+1.8

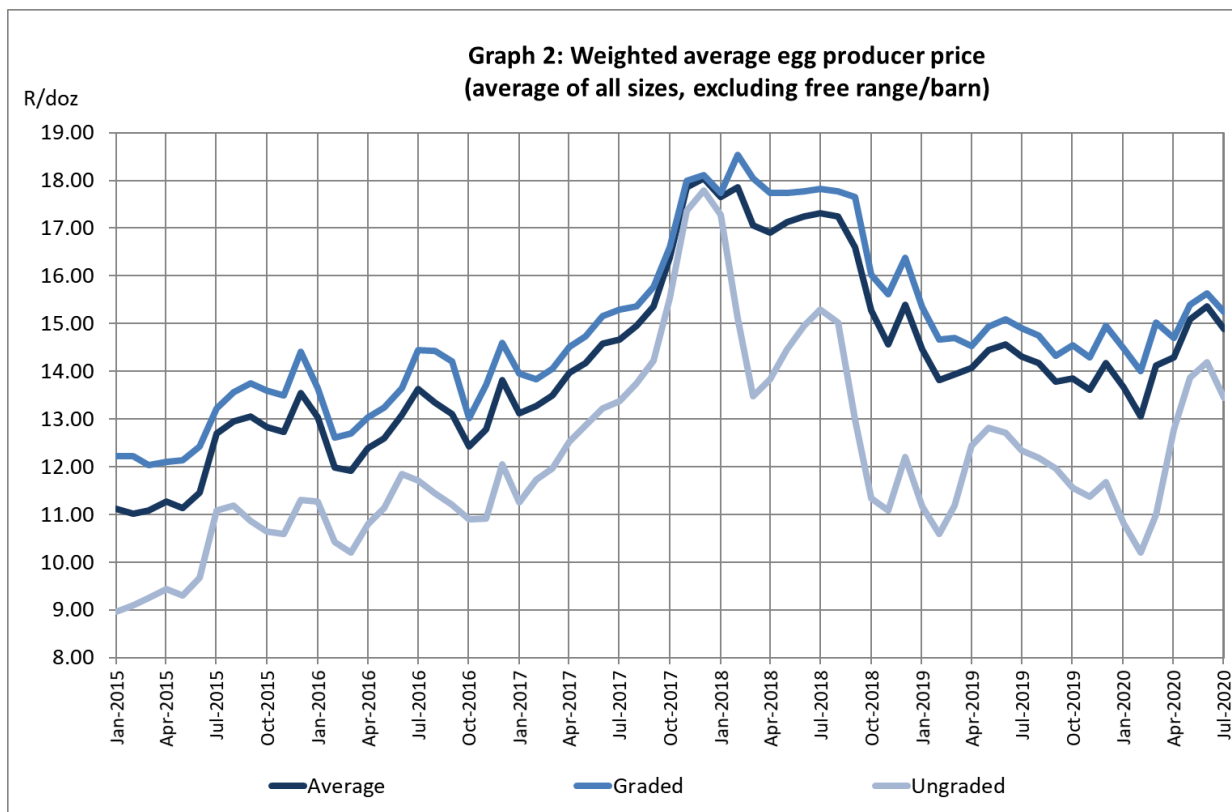
3. EGG PRICE FOR GRADED AND UNGRADED EGGS

The movement in the producer price since January 2015, for both graded and ungraded eggs (excluding free range/barn eggs), is depicted in Graph 2.

During July 2020, the average egg price for graded eggs was R15.25 per dozen; a month-on-month decrease of 2.5% and a year-on-year increase of 2.4%.

In the same month, the average egg price for ungraded eggs was R13.44 per dozen; a month-on-month decrease of 5.3% and a year-on-year increase of 8.9%.

In the sample surveyed, of the total dozens sold for July 2020, 79% were graded and 21% were ungraded.



4. FEED PRICE

The weighted average feed price includes distribution but excludes medication, additives and VAT. The monthly average feed price for July 2020 was R3 943/tonne. It increased by 0.4% on a monthly basis and increased by 3.0% on a yearly basis (Graph 3). The sample represents 13.8% of the layer feed consumed as estimated by SAPA's production forecasting model.

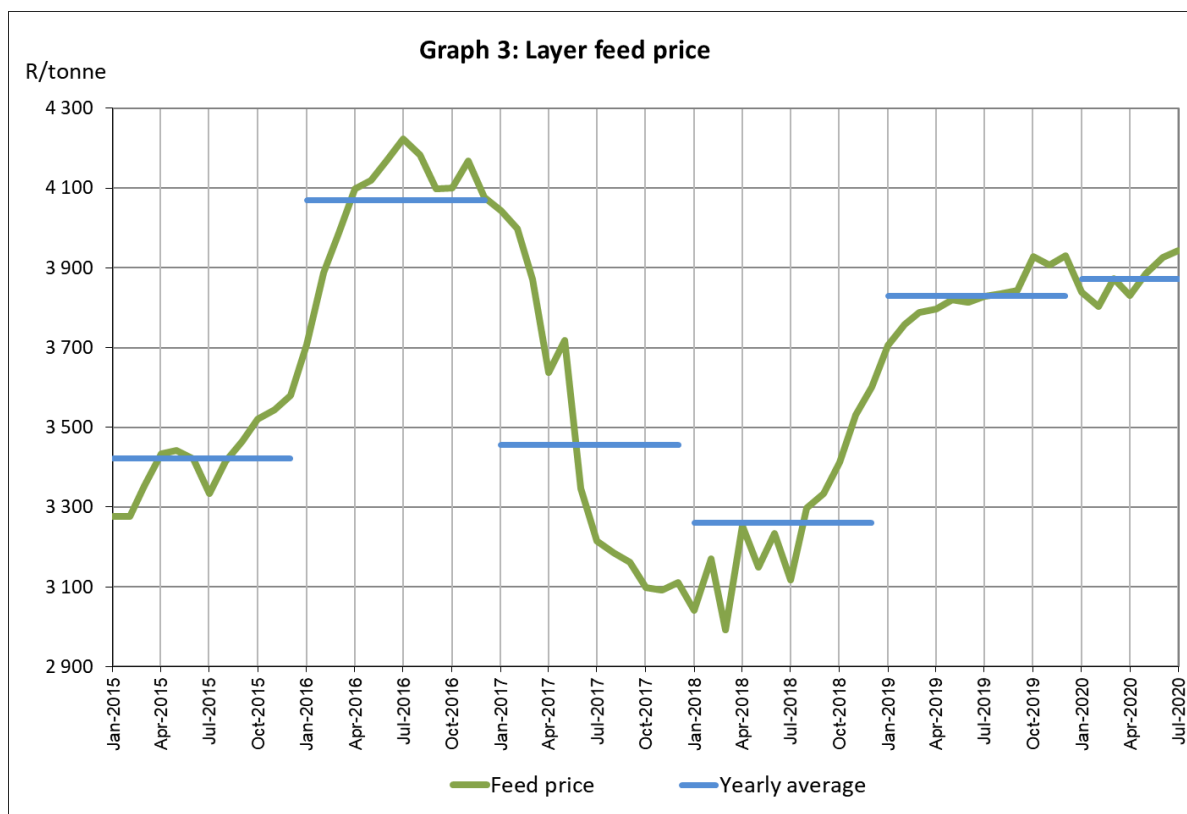


Table 4 shows the average feed prices since 2015 and the year-on-year percentage change.

Table 4: Feed prices

Year	2015	2016	2017	2018	2019	2020 YTD
R/tonne	3 422	4 069	3 457	3 260	3 830	3 872
% change	+0.49	+18.9	-15.0	-5.7	+17.4	+1.1

5. CULL PRICE AND AGE

The average price per cull hen for the month of July 2020 was R32.29 (representing 12.9% of the estimated number of hens depopulated), an increase of 5.9% on a monthly basis and an increase of 13.2% on a yearly basis (Graph 4). The average cull age at depletion during the month was 73.5 weeks.

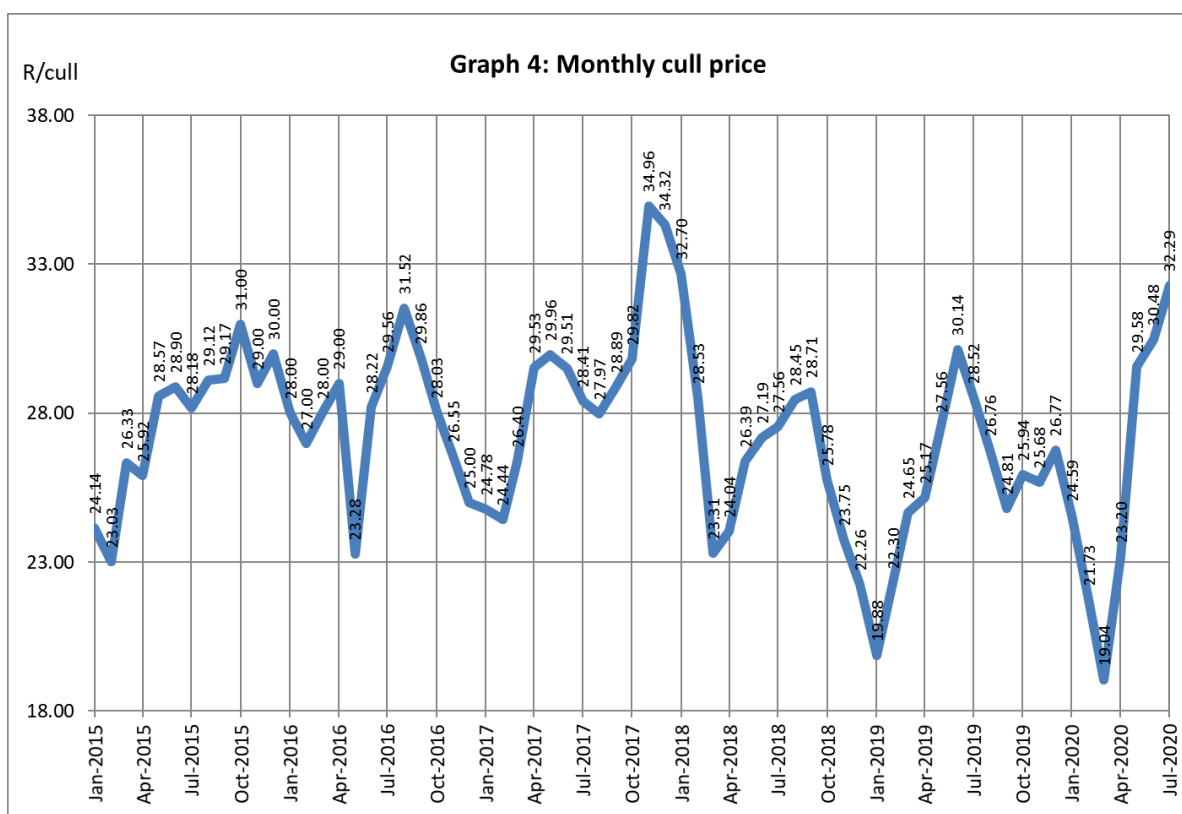


Table 5 shows the average cull prices since 2015 and the year-on-year percentage change, as well as the average cull age.

Table 5: Cull hen prices

Year	2015	2016	2017	2018	2019	2020 YTD
R/hen	27.78	27.84	29.08	26.56	25.68	25.84
% change	+4.0	+0.2	+4.5	-8.7	-3.3	+0.6
Age (weeks)	74.8	71.8	72.8	75.3	70.6	74.5

6. POINT-OF-LAY PULLET PRICES

The average price per point-of-lay pullet for the month of July 2020 was R67.38 (representing only 0.9% of the estimated number of point-of-lays placed); a 0.9% month-on month decrease and a 4.8% increase compared to July 2019.

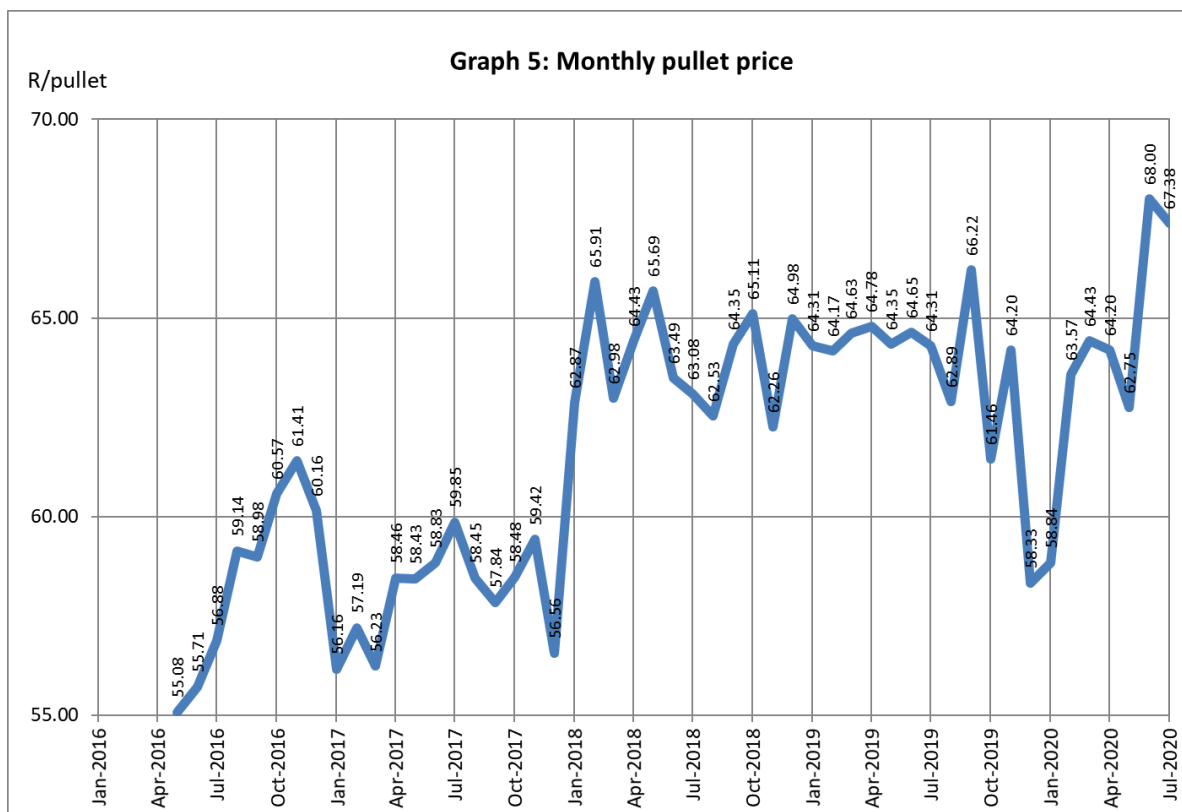


Table 6 shows the average cull prices since 2016 and the year-on-year percentage change.

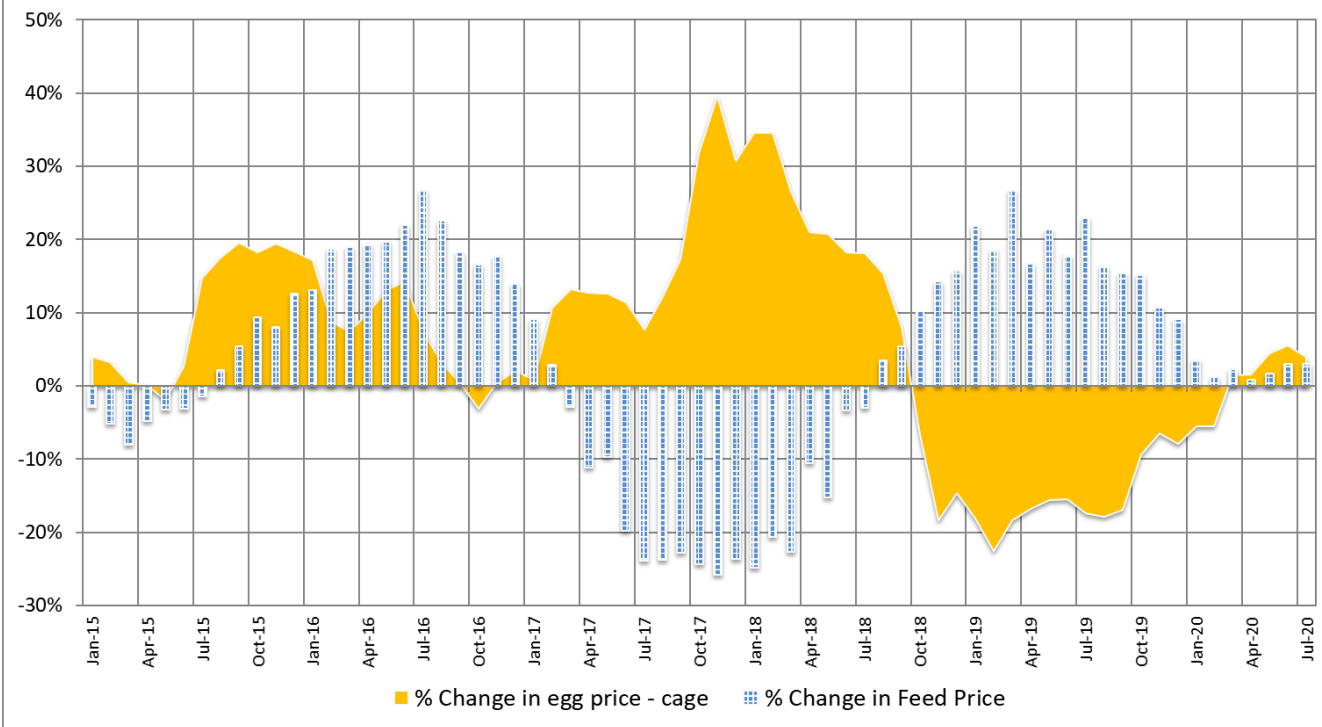
Table 6: Pullet prices

Year	2016	2017	2018	2019	2020 YTD
R/pullet	58.49	57.99	63.97	63.69	64.17
% change		-0.85	+10.31	-0.44	+0.75

7. CHANGE IN EGG AND FEED PRICES

Year-on-year % changes in egg price and feed price are shown in Graph 6. In 2016 feed prices escalated at a higher rate than egg prices, putting margins under severe pressure. In 2017, feed prices dropped while egg prices increased, due to a shortage of supply caused by the HPAI outbreak. At the start of 2018 egg prices remained buoyant owing to a continued shortage of eggs. However, the second half of the year was less profitable, especially in the last quarter of 2018, with increasing poultry feed prices and decreasing egg producer prices. This trend continued during 2019 and for the first quarter of 2020. The egg prices started showing a slight increase in the second quarter.

Graph 6: Year-on-year percentage change in egg price and feed price



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.