



SOUTH AFRICAN POULTRY ASSOCIATION

Founded 1904

MONTHLY EGG PRICE REPORT: JULY 2018

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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 22.4% 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	11 378 159	9 093 199	2 284 960
	Rands	R197 018 114	R162 086 267	R34 931 848

Table 2: Average prices

	Total R/doz	Graded R/doz	Ungraded R/doz
Cages	R17.32	R17.83	R15.29
Free Range/Barn	R27.25	R27.25	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 2018 price for cage eggs was R17.32 per dozen.

- Compared to June the egg price increased by 0.5%;
- Compared to July 2017 it increased by 18.1%.

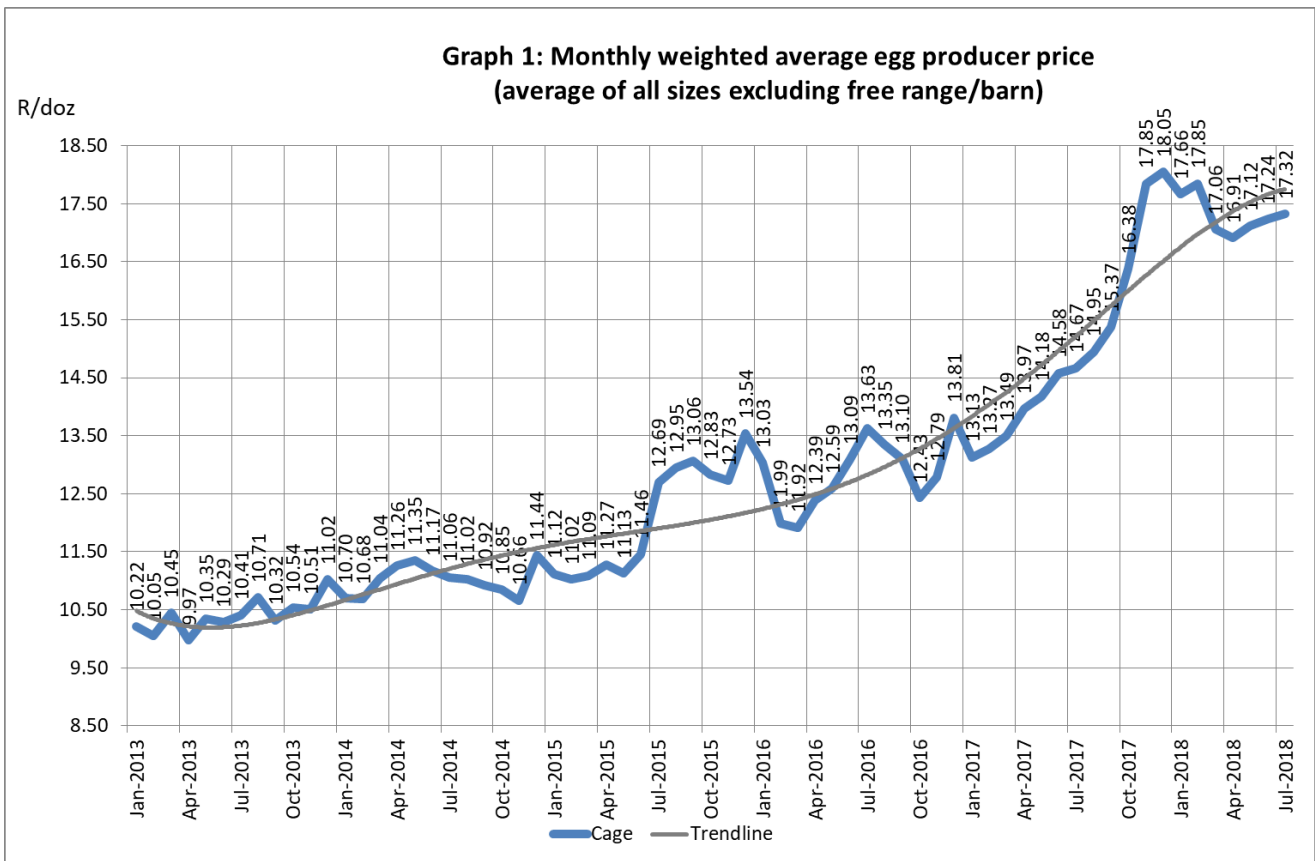


Table 3 shows the average egg prices (excluding free range/barn) since 2013 and the year-on-year percentage change.

Table 3: Egg prices

Year	2013	2014	2015	2016	2017	2018 YTD
R/doz	10.40	11.01	12.07	12.84	14.99	17.31
% change	9.5	5.9	9.6	6.4	16.7	15.5

3. EGG PRICE FOR GRADED AND UNGRADED EGGS

The movement in the producer price since January 2013, for both graded and ungraded eggs (excluding free range/barn eggs), is depicted in Graph 2.

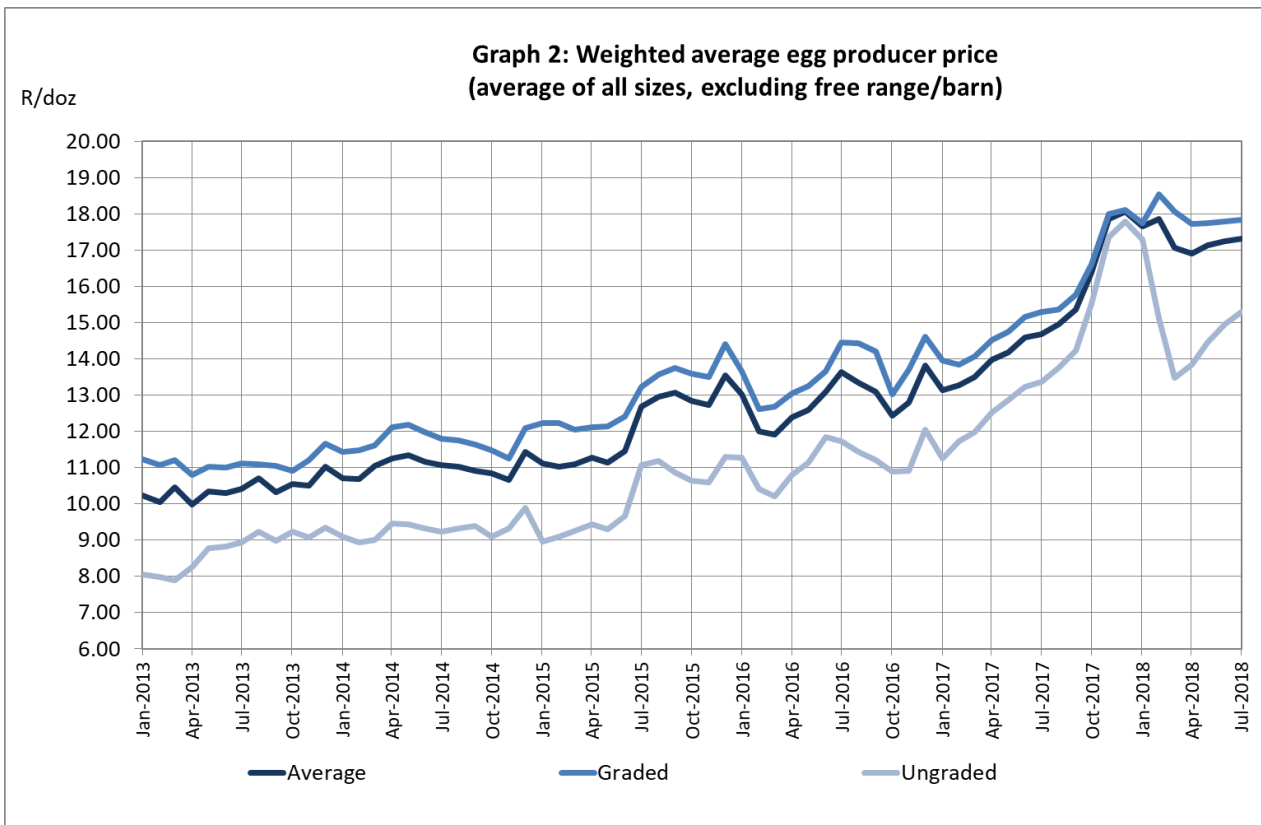
During July 2018, the average egg price for graded eggs was R17.83 per dozen.

- This is an increase of 0.3% in comparison with June 2018;
- This is an increase of 16.5% in comparison with July 2017.

In the same month, the average egg price for ungraded eggs was R15.29 per dozen.

- This is an increase of 2.2% in comparison with June 2018;
- This is an increase of 14.4% in comparison with July 2017.

In the sample surveyed, of the total dozens sold for July 2018, 80% were graded and 20% 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 2018 was R3 116/tonne. It decreased by 3.6% on a monthly basis and decreased by 3.0% on a yearly basis (Graph 3).

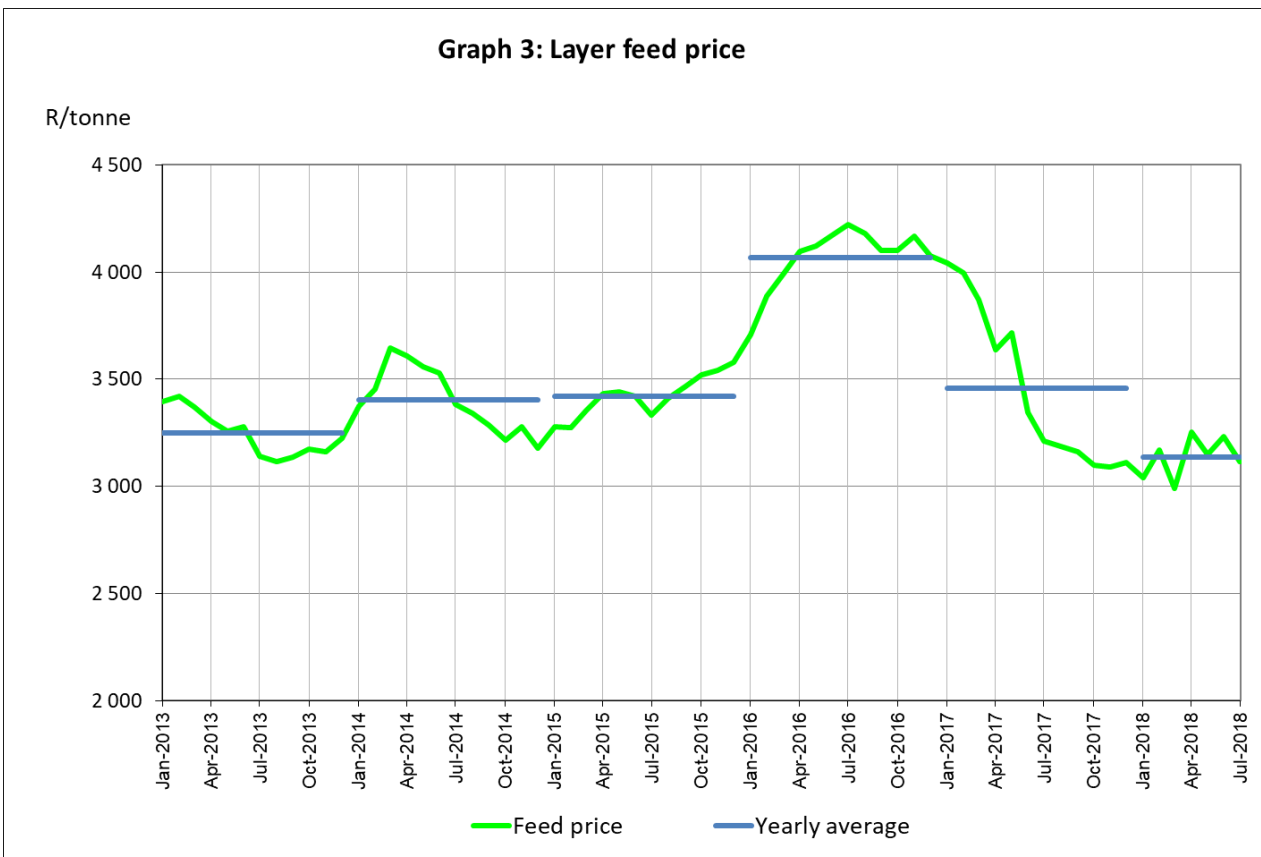


Table 4 shows the average feed prices since 2013 and the year-on-year percentage change.

Table 4: Feed prices

Year	2013	2014	2015	2016	2017	2018 YTD
R/tonne	3 248	3 405	3 422	4 069	3 457	3 137
% change	+12.0	+4.8	+0.49	+18.9	-15.0	-9.3

5. CULL PRICE AND AGE

The average price per cull hen for the month of July 2018 was R27.56, an increase of 1.4% on a monthly basis and a decrease of 3.0% on a yearly basis (Graph 4). The average cull age at depletion during the month was 76.0 weeks.

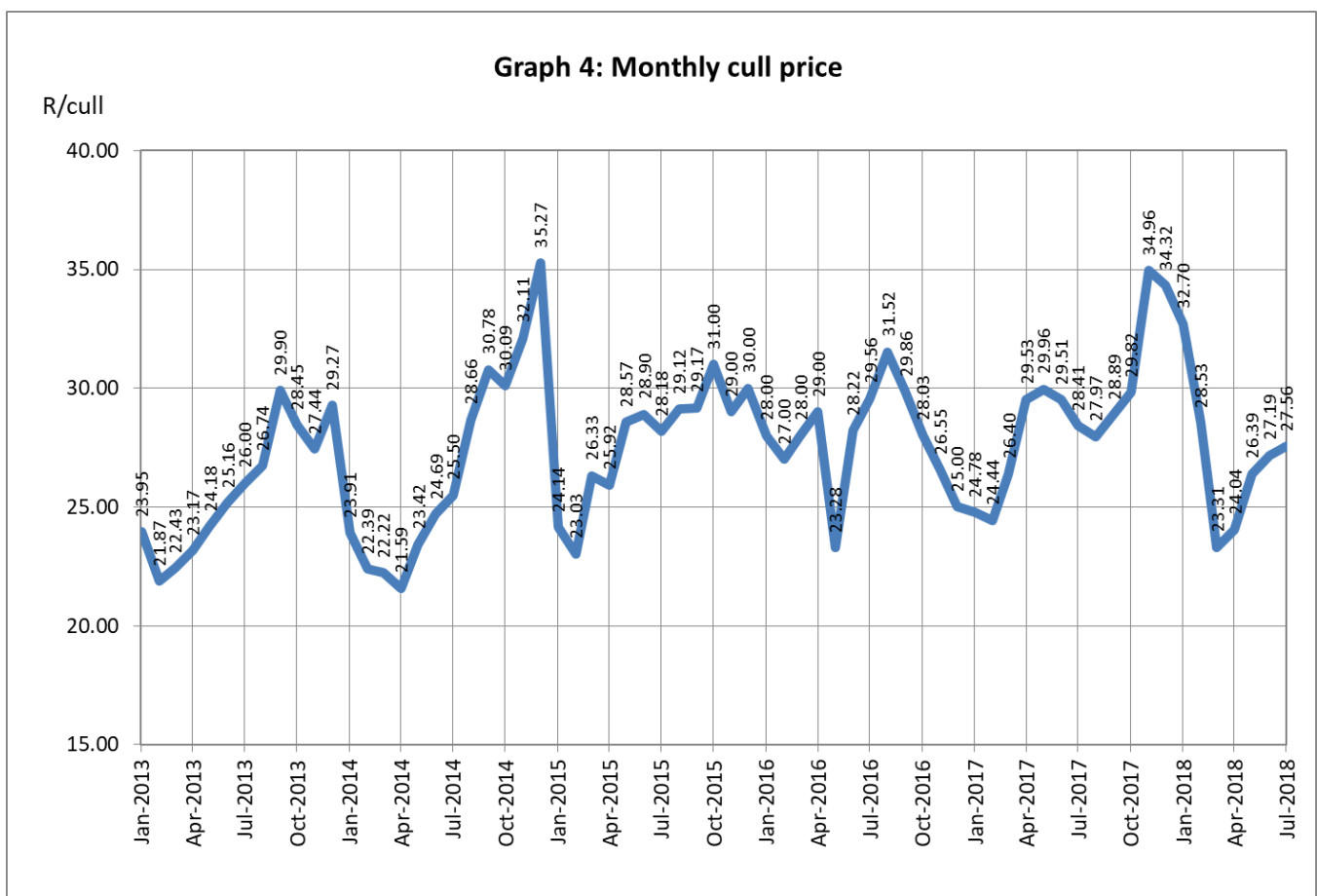


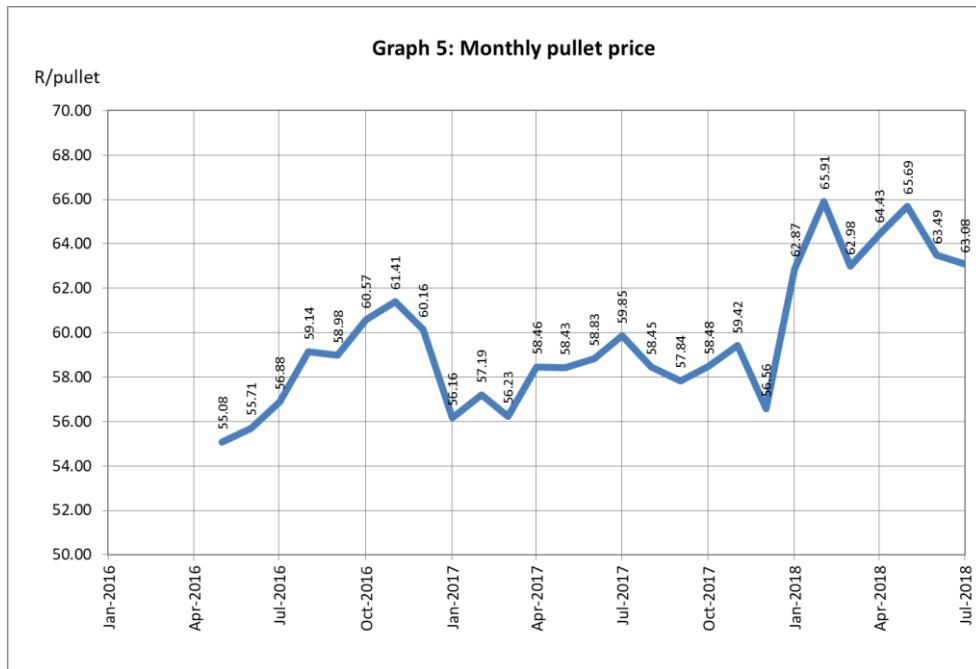
Table 5 shows the average cull prices since 2013 and the year-on-year percentage change, as well as the average cull age.

Table 5: Cull hen prices

Year	2013	2014	2015	2016	2017	2018 YTD
R/hen	25.71	26.72	27.78	27.84	29.08	27.10
% change	+8.5	+3.9	+4.0	+0.2	+4.5	-6.8
Age (weeks)	73.4	75.2	74.8	71.8	72.8	75.0

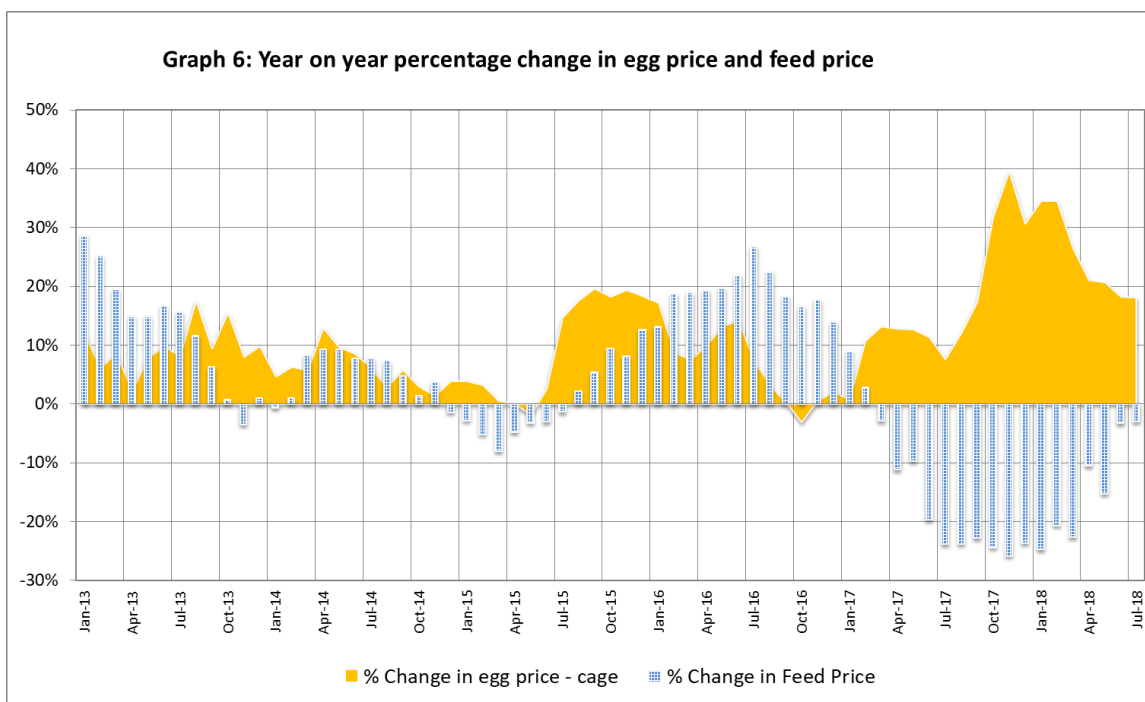
6. POINT-OF-LAY PULLET PRICES

The average price per point-of-lay pullet for the month of July 2018 was R63.08, a decrease of 0.6% on a monthly basis and an increase of 5.4% on an annual basis.



7. CHANGE IN EGG AND FEED PRICES

Year-on-year % changes in egg price and feed price are shown in Graph 6. The year 2016 was a difficult one for egg producers when feed prices escalated at a higher rate than egg prices, putting margins under severe pressure. The situation was more positive in 2017, with the effect of the AI outbreak apparent in the second half of the year. At the start of 2018 egg prices remained buoyant owing to a continued shortage of eggs.



Definition of egg price:

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

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