

U.S. Egg Cost of Production and Prices

January 8, 2018



Compiled by
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American Egg Board

The Egg Industry Center Market Reports & Industry Analysis are compiled in the memory of their creator, Don D. Bell, Poultry Extension Specialist Emeritus - UC Davis.

REPORT NOTE: This report estimates the average layer feed price and cost of production in six different U.S. regions as outlined on the following map. It also reports the EIC projected prices of eggs.

This report uses the corn and soybean meal prices reported by Feedstuffs weekly newspaper.

Monthly corn and soybean prices for each city are estimated as the simple average of the weekly prices for each month.

Monthly corn and soybean prices for each region are estimated as the simple average of prices for the cities in each region.

- The Northeast region price is the simple average of the prices for Buffalo and Boston
- The Southeast region price is the simple average of the prices for Atlanta and Fayetteville (NC)
- The Midwest region price is the simple average of the prices for Chicago and Minneapolis
- The South Central region price is the simple average of the prices for Ft. Worth, Kansas City and Memphis
- The California and Northwest region prices are the simple average of the prices for Los Angeles, San Francisco and Portland
- The U.S. price is the simple average of the prices for all the regions listed above (except California)

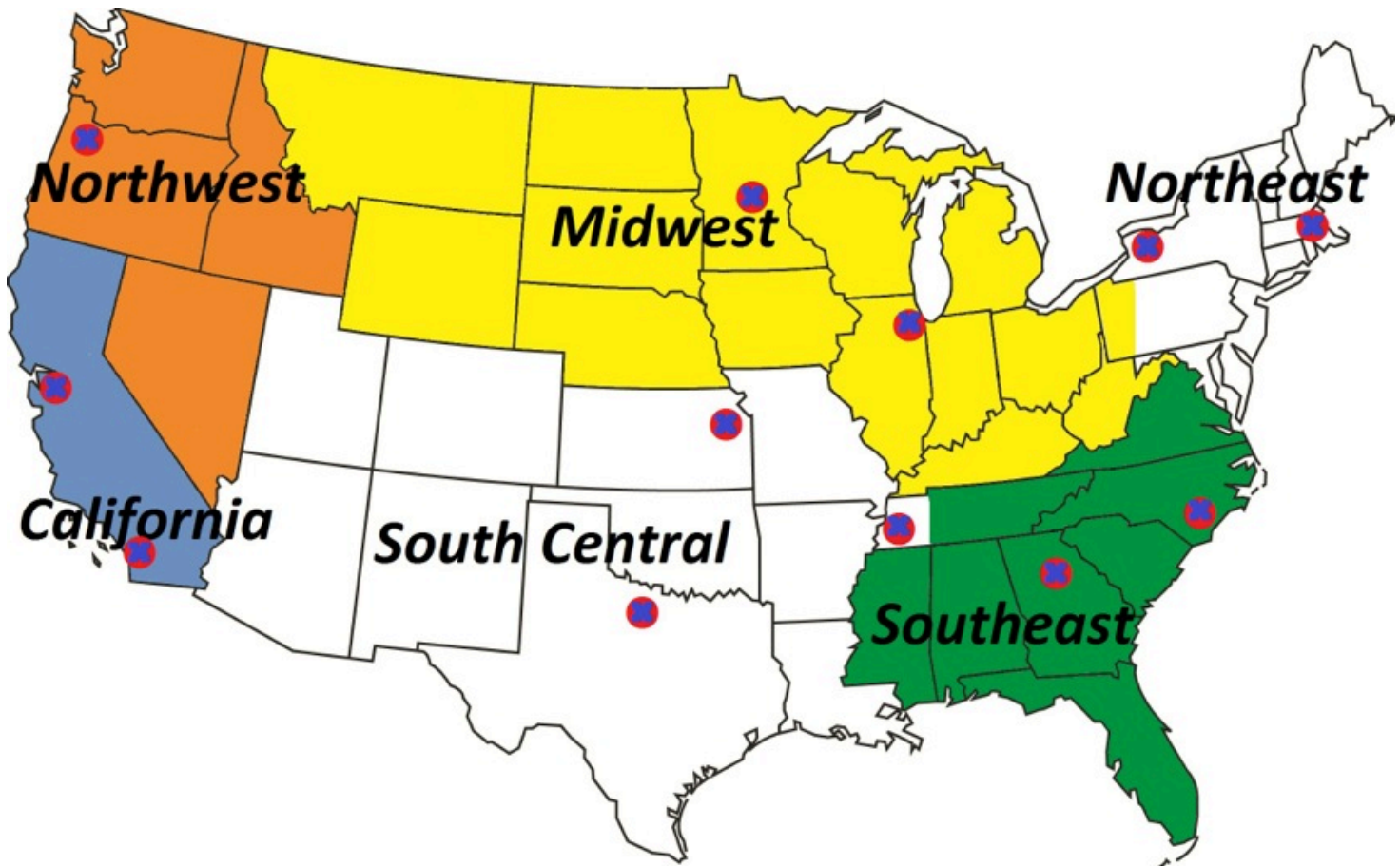
The average feed price is based on a diet consisting of 67% corn, 22% soybean meal, 8% limestone and 3% other ingredients.


The cost of production was adjusted from last year based on producer surveys. There is not enough information to separate costs by region other than using the differences in the feed ingredient prices.

Pullet cost are adjusted by region based on the average feed price for the month, assuming all the other costs are similar between regions.

Feed conversion is variable depending on the month. The labor, building and equipment, interest and miscellaneous costs are assumed to be 17.15 (cents/dozen) for all regions (except California) and months.

Map of U.S. Regions and the location of corn and soybean meal price information used in this report



Note: The red dots with blue x's () mark the cities associated with monthly corn and SBM prices.



Highlights and comparison with previous month and previous year.

Prices and Percent Changes

Difference with respect to December last year (2017 vs. 2016).

| Corn Price (\$/ton) | | SBM Price (\$/ton) | | Feed Cost (\$/ton) | | Cost of Prod (cents/doz.) | | Egg Price (cents/doz.) | |
|---------------------|-------|--------------------|-------|--------------------|-------|---------------------------|-------|------------------------|--------|
| -3.29 | -2.2% | +4.30 | +1.3% | -1.26 | -0.6% | -0.22 | -0.4% | +50.79 | +69.3% |

In December, corn prices were \$3.29/ton (2.2%) lower than in the previous year. Soybean Meal prices were \$4.30/ton higher than December last year.

These changes in prices resulted in a \$1.26/ton (0.6%) lower cost of feed and 0.22 cents/doz. (0.4%) lower cost of production than December last year.

The December 2017 egg price paid to producers was 50.79 cents/doz. (69.3%) higher than in December 2016.

Difference with respect to the previous month this year (December 2017 vs. November 2017).

| Corn Price (\$/ton) | | SBM Price (\$/ton) | | Feed Cost (\$/ton) | | Cost of Prod (cents/doz.) | | Egg Price (cents/doz.) | |
|---------------------|-------|--------------------|-------|--------------------|-------|---------------------------|-------|------------------------|--------|
| +1.82 | +1.3% | +7.12 | +2.1% | +2.79 | +1.4% | +0.50 | +0.8% | +14.48 | +13.2% |

The December corn price was \$1.82/ton (1.3%) higher than the previous month. Soybean Meal prices were \$7.12/ton (2.1%) higher.

These changes in prices resulted in a \$2.79/ton (1.4%) higher cost of feed and 0.50 cents/doz. (0.8%) higher cost of production than last month.

The December 2017 egg price paid to producers was 14.48 cents/doz. (13.2%) higher than the previous month.



CORN PRICE BY REGION (\$/ton) - 2017

TABLE 1

| Month | Southeast | Northeast | Midwest | South Central | Northwest | 5-Region avg. |
|-----------------------|-----------|-----------|---------|---------------|-----------|---------------|
| Jan | 188.50 | 141.15 | 117.75 | 130.57 | 175.84 | 150.76 |
| Feb | 197.69 | 150.42 | 122.51 | 133.71 | 179.87 | 156.84 |
| Mar | 188.66 | 147.77 | 118.30 | 128.13 | 179.85 | 152.54 |
| Apr | 188.86 | 149.58 | 125.18 | 128.48 | 173.31 | 153.08 |
| May | 187.96 | 152.74 | 126.57 | 130.96 | 172.69 | 154.19 |
| Jun | 197.32 | 156.93 | 127.23 | 130.80 | 173.73 | 157.20 |
| Jul | 203.57 | 146.90 | 127.19 | 130.40 | 177.37 | 157.09 |
| Aug | 196.57 | 146.02 | 117.54 | 122.29 | 167.90 | 150.06 |
| Sep | 188.48 | 141.45 | 112.54 | 118.26 | 168.13 | 145.77 |
| Oct | 188.71 | 140.74 | 110.64 | 114.32 | 165.40 | 143.96 |
| Nov | 184.45 | 140.92 | 113.44 | 118.17 | 164.40 | 144.27 |
| Dec | 186.07 | 140.56 | 112.72 | 122.77 | 168.37 | 146.10 |
| 12 Month Avg. | 191.40 | 146.27 | 119.30 | 125.74 | 172.24 | 150.99 |
| Region/US avg. | 1.27 | 0.97 | 0.79 | 0.83 | 1.14 | |

Source: Feedstuffs magazine

SOYBEAN MEAL PRICE BY REGION (\$/ton) - 2017

TABLE 2

| Month | Southeast | Northeast | Midwest | South Central | Northwest | 5-Region avg. |
|-----------------------|-----------|-----------|---------|---------------|-----------|---------------|
| Jan | 382.00 | 363.52 | 312.61 | 335.71 | 360.56 | 350.88 |
| Feb | 382.00 | 365.58 | 318.34 | 339.83 | 363.70 | 353.89 |
| Mar | 382.00 | 354.40 | 304.60 | 321.13 | 352.55 | 342.94 |
| Apr | 382.00 | 339.57 | 292.70 | 315.56 | 339.55 | 333.88 |
| May | 371.00 | 333.91 | 291.60 | 317.61 | 337.91 | 330.41 |
| Jun | 346.25 | 331.43 | 287.20 | 305.93 | 329.26 | 320.01 |
| Jul | 376.50 | 344.66 | 312.25 | 331.27 | 354.66 | 343.87 |
| Aug | 377.00 | 325.80 | 290.75 | 313.06 | 332.55 | 327.83 |
| Sep | 377.00 | 328.35 | 296.95 | 313.59 | 343.28 | 331.83 |
| Oct | 377.80 | 335.60 | 296.05 | 324.41 | 347.21 | 336.21 |
| Nov | 377.00 | 337.35 | 297.38 | 322.59 | 345.14 | 335.89 |
| Dec | 377.00 | 363.10 | 300.36 | 325.69 | 348.89 | 343.01 |
| 12 Month Avg. | 375.63 | 343.61 | 300.07 | 322.20 | 346.27 | 337.55 |
| Region/US avg. | 1.11 | 1.02 | 0.89 | 0.95 | 1.03 | |

Source: Feedstuffs magazine

- Notes:
- Northeast prices are estimated as the simple average of Buffalo and Boston
 - Southeast prices are estimated as the simple average of Atlanta and Fayetteville
 - South Central prices are estimated as the simple average of Ft. Worth, Kansas City and Memphis
 - Midwest prices are estimated as the simple average of Chicago and Minneapolis
 - Northwest and California prices are estimated as the simple average of Los Angeles, San Francisco and Portland

Note: "5-Region avg" is the simple average of the NE, SE, SC, MW, and NW regions.



ESTIMATED LAYER FEED COST BY REGION (\$/ton) - 2017

TABLE 3

| Month | Southeast | Northeast | Midwest | South Central | Northwest | 5-Region avg. |
|-----------------------|-----------|-----------|---------|---------------|-----------|---------------|
| Jan | 238.44 | 202.65 | 175.77 | 189.44 | 225.23 | 206.30 |
| Feb | 244.59 | 209.31 | 180.21 | 192.44 | 228.63 | 211.04 |
| Mar | 238.54 | 205.08 | 174.37 | 184.59 | 226.16 | 205.75 |
| Apr | 238.67 | 203.03 | 176.36 | 183.61 | 218.92 | 204.12 |
| May | 235.66 | 203.90 | 177.05 | 185.72 | 218.14 | 204.09 |
| Jun | 236.48 | 206.16 | 176.53 | 183.04 | 216.93 | 203.83 |
| Jul | 247.32 | 202.35 | 182.01 | 188.35 | 224.96 | 209.00 |
| Aug | 242.74 | 197.61 | 170.81 | 178.90 | 213.76 | 200.77 |
| Sep | 237.32 | 195.11 | 168.83 | 176.32 | 216.27 | 198.77 |
| Oct | 237.65 | 196.23 | 167.36 | 176.06 | 215.31 | 198.52 |
| Nov | 234.62 | 196.73 | 169.53 | 178.24 | 214.18 | 198.66 |
| Dec | 235.71 | 202.16 | 169.70 | 182.01 | 217.66 | 201.45 |
| 12 Month Avg. | 238.98 | 201.69 | 174.05 | 183.23 | 219.68 | 203.52 |
| Region/US avg. | 1.17 | 0.99 | 0.86 | 0.90 | 1.08 | |

Source: Egg Industry Center. Estimated based on corn and soybean meal prices reported by Feedstuffs magazine and all other costs total \$28.1/ton.

Assumptions:

| | Diet Composition | | | | Transport |
|---------|------------------|----------|----------|--------------------|-------------|
| | Corn | SBM | Calcium* | Other ingredients* | and Milling |
| Percent | 67% | 22% | 8% | 3% | Costs* |
| \$/Ton | variable | variable | 4.6 | 12.6 | 10.9 |

* These are standardized costs

ESTIMATED 19-WEEK PULLET COSTS BY REGION (\$/bird) - 2017

TABLE 4

| Month | Southeast | Northeast | Midwest | South Central | Northwest | 5-Region avg. |
|-----------------------|-----------|-----------|---------|---------------|-----------|---------------|
| Jan | 3.96 | 3.70 | 3.50 | 3.60 | 3.86 | 3.72 |
| Feb | 4.01 | 3.75 | 3.53 | 3.62 | 3.89 | 3.76 |
| Mar | 3.96 | 3.72 | 3.49 | 3.56 | 3.87 | 3.72 |
| Apr | 3.96 | 3.70 | 3.50 | 3.56 | 3.82 | 3.71 |
| May | 3.94 | 3.71 | 3.51 | 3.57 | 3.81 | 3.71 |
| Jun | 3.95 | 3.72 | 3.50 | 3.55 | 3.80 | 3.71 |
| Jul | 4.03 | 3.69 | 3.54 | 3.59 | 3.86 | 3.74 |
| Aug | 4.00 | 3.66 | 3.46 | 3.52 | 3.78 | 3.68 |
| Sep | 3.95 | 3.64 | 3.45 | 3.50 | 3.80 | 3.67 |
| Oct | 3.96 | 3.65 | 3.43 | 3.50 | 3.79 | 3.67 |
| Nov | 3.93 | 3.65 | 3.45 | 3.52 | 3.78 | 3.67 |
| Dec | 3.94 | 3.69 | 3.45 | 3.54 | 3.81 | 3.69 |
| 12 Month Avg. | 3.97 | 3.69 | 3.48 | 3.55 | 3.82 | 3.70 |
| Region/US avg. | 1.07 | 1.00 | 0.94 | 0.96 | 1.03 | |

Source: Egg Industry Center

Assumes: 13.9 pounds of feed consumed per pullet at variable prices to grow a pullet to 19 weeks of age (for all regions), pullet feed cost 7% more expensive than layers cost (because of higher nutrient requirements); chick cost = 79 cents/baby chick, moving cost = 16 cents/pullet, and other costs = 124 cents/pullet (for all regions)

Note: "5-Region avg" is the simple average of the NE, SE, SC, MW, and NW regions.



ESTIMATED PULLET COST BY REGION under 1-cycle systems (Cents/doz.) - 2017

TABLE 5

| Month | Southeast | Northeast | Midwest | South Central | Northwest | 5-Region avg. |
|-----------------------|-----------|-----------|---------|---------------|-----------|---------------|
| Jan | 11.49 | 10.72 | 10.14 | 10.43 | 11.20 | 10.79 |
| Feb | 11.62 | 10.86 | 10.23 | 10.50 | 11.28 | 10.90 |
| Mar | 11.49 | 10.77 | 10.11 | 10.33 | 11.22 | 10.78 |
| Apr | 11.49 | 10.72 | 10.15 | 10.31 | 11.07 | 10.75 |
| May | 11.43 | 10.74 | 10.16 | 10.35 | 11.05 | 10.75 |
| Jun | 11.45 | 10.79 | 10.15 | 10.29 | 11.02 | 10.74 |
| Jul | 11.68 | 10.71 | 10.27 | 10.41 | 11.20 | 10.85 |
| Aug | 11.58 | 10.61 | 10.03 | 10.20 | 10.96 | 10.68 |
| Sep | 11.46 | 10.55 | 9.99 | 10.15 | 11.01 | 10.63 |
| Oct | 11.47 | 10.58 | 9.96 | 10.14 | 10.99 | 10.63 |
| Nov | 11.41 | 10.59 | 10.00 | 10.19 | 10.96 | 10.63 |
| Dec | 11.43 | 10.71 | 10.01 | 10.27 | 11.04 | 10.69 |
| 12 Month Avg. | 11.50 | 10.70 | 10.10 | 10.30 | 11.08 | 10.73 |
| Region/US avg. | 1.07 | 1.00 | 0.94 | 0.96 | 1.03 | |

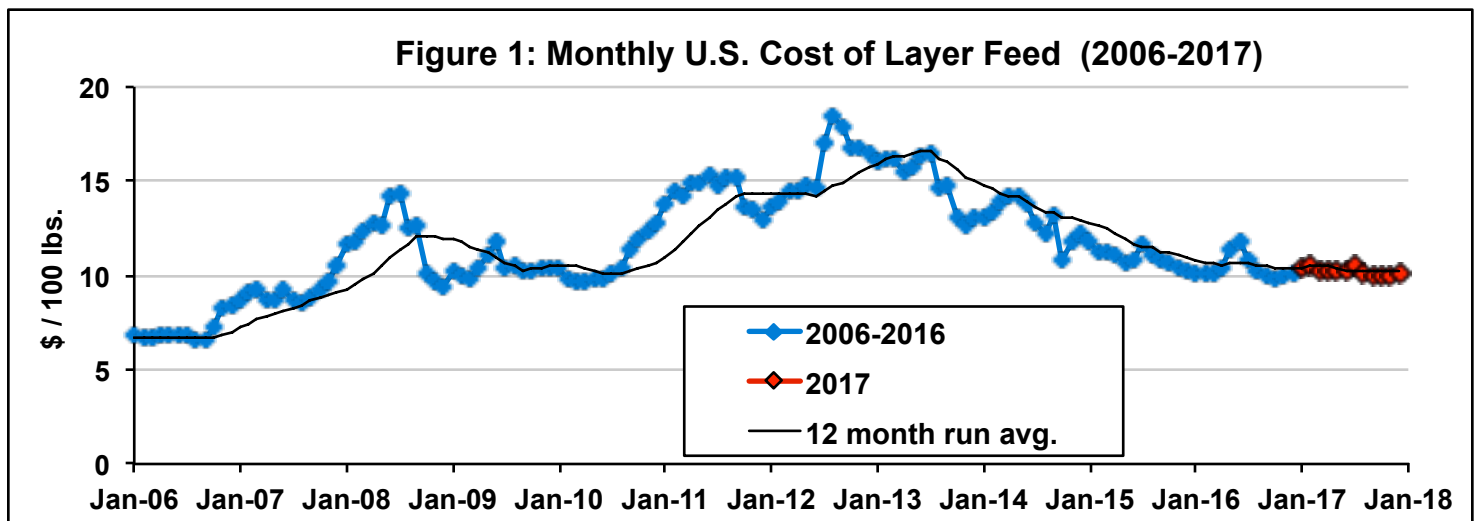
Source: Egg Industry Center Assumes 34.5 dozen eggs per pullet placed under 1-cycle systems

ESTIMATED FEED COST BY REGION under 1-cycle systems (Cents/doz.) - 2017

TABLE 6

| Month | Southeast | Northeast | Midwest | South Central | Northwest | 5-Region avg. |
|-----------------------|-----------|-----------|---------|---------------|-----------|---------------|
| Jan | 37.43 | 31.82 | 27.60 | 29.74 | 35.36 | 32.39 |
| Feb | 38.40 | 32.86 | 28.29 | 30.21 | 35.89 | 33.13 |
| Mar | 37.45 | 32.20 | 27.38 | 28.98 | 35.51 | 32.30 |
| Apr | 37.47 | 31.88 | 27.69 | 28.83 | 34.37 | 32.05 |
| May | 37.00 | 32.01 | 27.80 | 29.16 | 34.25 | 32.04 |
| Jun | 37.13 | 32.37 | 27.72 | 28.74 | 34.06 | 32.00 |
| Jul | 38.83 | 31.77 | 28.58 | 29.57 | 35.32 | 32.81 |
| Aug | 38.11 | 31.03 | 26.82 | 28.09 | 33.56 | 31.52 |
| Sep | 37.26 | 30.63 | 26.51 | 27.68 | 33.95 | 31.21 |
| Oct | 37.31 | 30.81 | 26.28 | 27.64 | 33.80 | 31.17 |
| Nov | 36.84 | 30.89 | 26.62 | 27.98 | 33.63 | 31.19 |
| Dec | 37.01 | 31.74 | 26.64 | 28.57 | 34.17 | 31.63 |
| 12 Month Avg. | 37.52 | 31.67 | 27.33 | 28.77 | 34.49 | 31.95 |
| Region/US avg. | 1.17 | 0.99 | 0.86 | 0.90 | 1.08 | |

Estimated based on feed costs (\$/ton) shown in table 3, assuming 3.14 lbs of feed/dozen eggs



Note: "5-Region avg" is the simple average of the NE, SE, SC, MW, and NW regions.



ESTIMATED TOTAL COSTS BY REGION under 1-cycle systems (cents/doz.) - 2017 *

TABLE 7

| Month | Southeast | Northeast | Midwest | South Central | Northwest | California | 5-Region avg. |
|-----------------------|-----------|-----------|---------|---------------|-----------|------------|---------------|
| Jan | 66.07 | 59.68 | 54.88 | 57.32 | 63.71 | 76.26 | 60.33 |
| Feb | 67.17 | 60.87 | 55.68 | 57.86 | 64.32 | 76.86 | 61.18 |
| Mar | 66.09 | 60.12 | 54.63 | 56.46 | 63.88 | 76.42 | 60.24 |
| Apr | 66.11 | 59.75 | 54.99 | 56.28 | 62.59 | 75.13 | 59.94 |
| May | 65.58 | 59.90 | 55.11 | 56.66 | 62.45 | 74.99 | 59.94 |
| Jun | 65.72 | 60.31 | 55.02 | 56.18 | 62.23 | 74.78 | 59.89 |
| Jul | 67.66 | 59.63 | 56.00 | 57.13 | 63.67 | 76.21 | 60.82 |
| Aug | 66.84 | 58.78 | 54.00 | 55.44 | 61.67 | 74.21 | 59.35 |
| Sep | 65.87 | 58.34 | 53.64 | 54.98 | 62.11 | 74.66 | 58.99 |
| Oct | 65.93 | 58.54 | 53.38 | 54.93 | 61.94 | 74.48 | 58.95 |
| Nov | 65.39 | 58.63 | 53.77 | 55.32 | 61.74 | 74.28 | 58.97 |
| Dec | 65.58 | 59.59 | 53.80 | 56.00 | 62.36 | 74.91 | 59.47 |
| 12 Month Avg. | 66.17 | 59.51 | 54.57 | 56.21 | 62.72 | 75.27 | 59.84 |
| Region/US avg. | 1.11 | 0.99 | 0.91 | 0.94 | 1.05 | 1.26 | |

Source: Egg Industry Center.

* These estimations are based on feed costs (cents/dozen) shown in table 6, pullet costs (cents/dozen) shown in table 5.

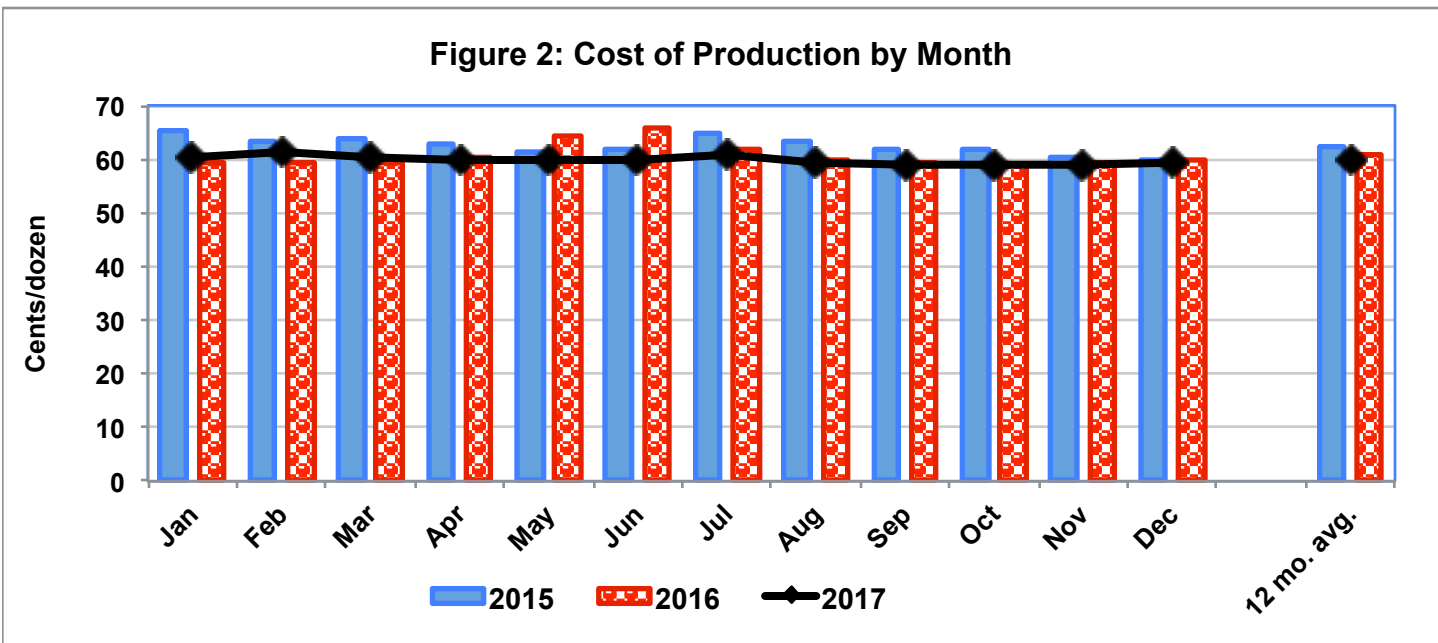
Building and equipment, labor, interest and miscellaneous costs are assumed to be 17.15 cents/dozen (except for CA, please see below) Some assumptions were made in the absence of enough information of cost of production under the new California regulations.

These assumptions that are a clear simplification of the changes in different costs are:

- 1) the feed efficiency and pullet cost are similar between California and the rest of the country
- 2) the "building and equipment, labor, interest and miscellaneous" costs are assumed to increase proportionally to the space per layer increase or 73% higher (116 in²/67 in²) than on the other regions which put them at at 29.69 cents/dozen (17.15 * 116/67)

These estimations are based on standard costs for conventionally produced eggs. Higher labor costs might exist in certain regions. Newer, more efficient farms, would probably use less labor but have higher equipment costs.

Figure 2: Cost of Production by Month



Note: "5-Region avg" is the simple average of the NE, SE, SC, MW, and NE regions. California is not considered for the average because of the different production requirements.



U.S. ESTIMATED FARM EGG PRICE AND RETAIL EGG PRICE (cents/Doz)

TABLE 8

| month | Farm Price for All White Egg Sizes (cents/Doz) | | | | Retail Price for Large White Eggs (cents/Doz) | | | |
|----------------------|--|------|-------|--------|---|-------|-------|--------|
| | 2015 | 2016 | 2017 | Change | 2015 | 2016 | 2017 | Change |
| Jan | 88.2 | 91.7 | 49.5 | -42.2 | 211.3 | 232.8 | 159.9 | -72.9 |
| Feb | 106.0 | 92.8 | 38.9 | -53.8 | 208.8 | 226.7 | 146.4 | -80.3 |
| Mar | 124.1 | 66.9 | 46.7 | -20.3 | 213.3 | 208.1 | 140.4 | -67.7 |
| Apr | 80.4 | 41.8 | 42.8 | 1.0 | 206.5 | 179.3 | 140.9 | -38.4 |
| May | 128.4 | 30.6 | 37.1 | 6.6 | 196.2 | 168.4 | 141.4 | -27.0 |
| Jun | 172.1 | 31.8 | 39.5 | 7.7 | 257.0 | 149.1 | 133.2 | -15.9 |
| Jul | 175.2 | 39.9 | 51.0 | 11.1 | 257.0 | 154.6 | 133.3 | -21.3 |
| Aug | 204.5 | 39.8 | 55.8 | 16.0 | 294.3 | 145.5 | 136.7 | -8.8 |
| Sep | 169.5 | 38.3 | 84.0 | 45.7 | 296.6 | 147.1 | 142.2 | -4.9 |
| Oct | 123.6 | 29.5 | 79.2 | 49.7 | 280.8 | 139.0 | 154.0 | 15.0 |
| Nov | 162.5 | 35.9 | 109.6 | 73.7 | 266.4 | 132.1 | 150.6 | 18.5 |
| Dec | 106.1 | 73.3 | 124.1 | 50.8 | 275.1 | 138.3 | | |
| Avg. | 136.7 | 51.0 | 63.2 | 12.2 | 244.4 | 171.2 | 143.5 | -27.6 |
| 12 Month Avg. | 136.7 | 51.0 | | | 246.9 | 168.4 | | |

Source: Estimated using Urner Barry's price quotations by regions

Source: Bureau of Labor Statistics (Dept. of Commerce)

Note: There was an error in the formula used to estimate the farm price for Jan-Mar 2017.

For this report, the price paid to producers for each size eggs is estimated by subtracting an "adjustment factor" from Urner Barry quotations of prices by region. The "adjustment factor" we are using varies around 42 cents/dozen and it is estimated by comparing the historical relationship between the Urner Barry prices with the Trailer Load prices reported by USDA.

The Undergrades eggs price is estimated as the price of Checks eggs as reported by USDA Marketnews minus 25 cents (up to a minimum of 8 cents) adjusted by the differences in prices between regions.

The average price of all eggs is estimated based on the proportions of Jumbo, Extralarge, Large, Medium, Small and Undergrades eggs. Based on the Breeders Performance Manuals up to 90 weeks of age.

Adjustment figures between Urner Barry quotes and producer prices are subject to change monthly and between regions and companies.

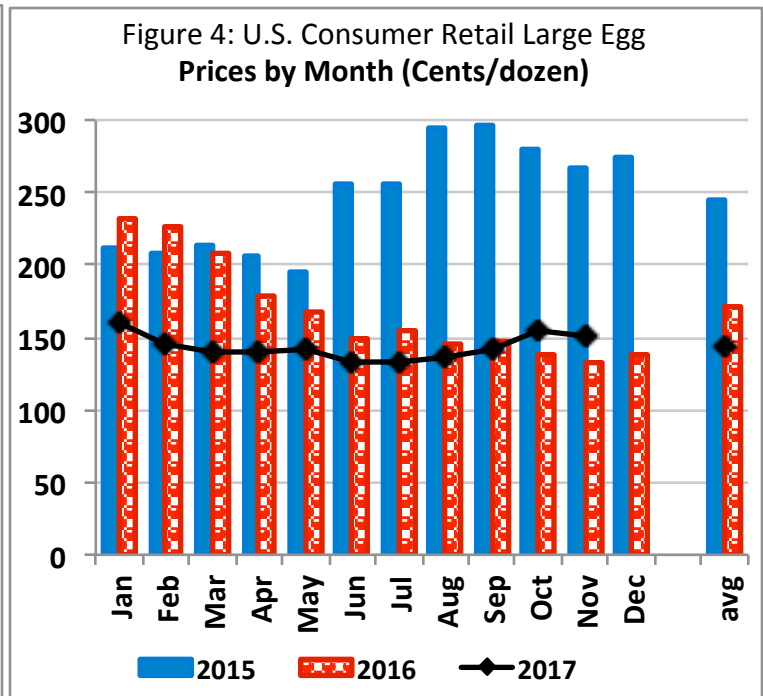
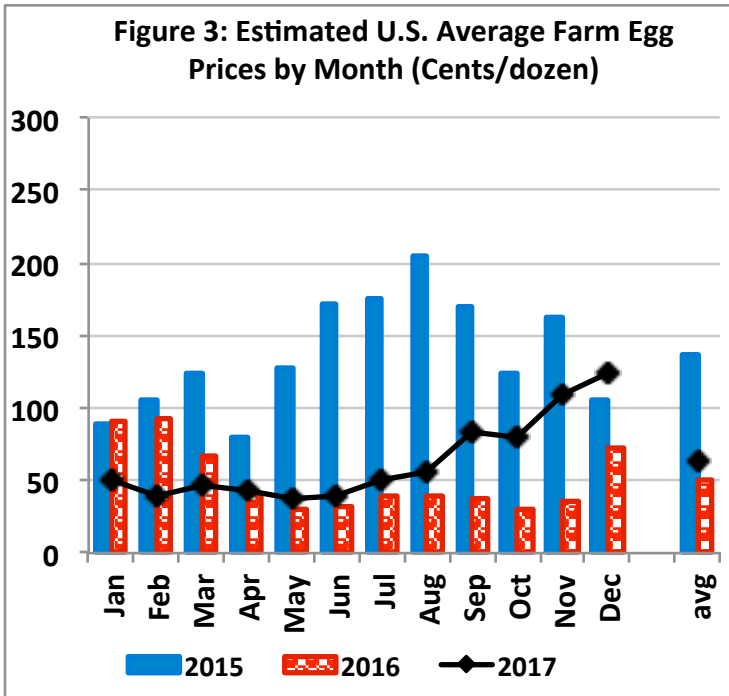


TABLE 9

ESTIMATED TOTAL COSTS comparing Breeders Manuals values vs. some loss in production efficiency (Cents/doz.) - 2017

| month | TOTAL Cost (cents/dozen) | | | | | | | |
|----------------------|--------------------------|---------------------------|----------------------------|--------------------------------|--------------|--------------|--------------|--------------|
| | Manuals | 5% higher feed conv. A | 5% higher pullet feed B | lower eggs/ hen housed C | A and B | A and C | B and C | A, B, and C |
| Jan | 60.33 | 61.95 | 60.56 | 60.90 | 62.18 | 62.52 | 61.14 | 62.76 |
| Feb | 61.18 | 62.84 | 61.41 | 61.75 | 63.06 | 63.41 | 61.99 | 63.65 |
| Mar | 60.24 | 61.85 | 60.46 | 60.80 | 62.07 | 62.42 | 61.04 | 62.65 |
| Apr | 59.94 | 61.55 | 60.16 | 60.51 | 61.77 | 62.11 | 60.74 | 62.34 |
| May | 59.94 | 61.54 | 60.16 | 60.51 | 61.76 | 62.11 | 60.74 | 62.34 |
| Jun | 59.89 | 61.49 | 60.11 | 60.46 | 61.71 | 62.06 | 60.69 | 62.29 |
| Jul | 60.82 | 62.46 | 61.04 | 61.39 | 62.68 | 63.03 | 61.62 | 63.26 |
| Aug | 59.35 | 60.92 | 59.56 | 59.91 | 61.14 | 61.48 | 60.14 | 61.71 |
| Sep | 58.99 | 60.55 | 59.20 | 59.55 | 60.76 | 61.11 | 59.77 | 61.33 |
| Oct | 58.95 | 60.50 | 59.16 | 59.50 | 60.72 | 61.06 | 59.73 | 61.29 |
| Nov | 58.97 | 60.53 | 59.18 | 59.53 | 60.74 | 61.09 | 59.75 | 61.31 |
| Dec | 59.47 | 61.05 | 59.68 | 60.03 | 61.27 | 61.61 | 60.26 | 61.84 |
| 12 Month Avg. | 59.84 | 61.44 | 60.06 | 60.40 | 61.66 | 62.00 | 60.63 | 62.23 |

Source: Egg Industry Center, based on Feedstuffs magazine published prices of corn and soybean meal

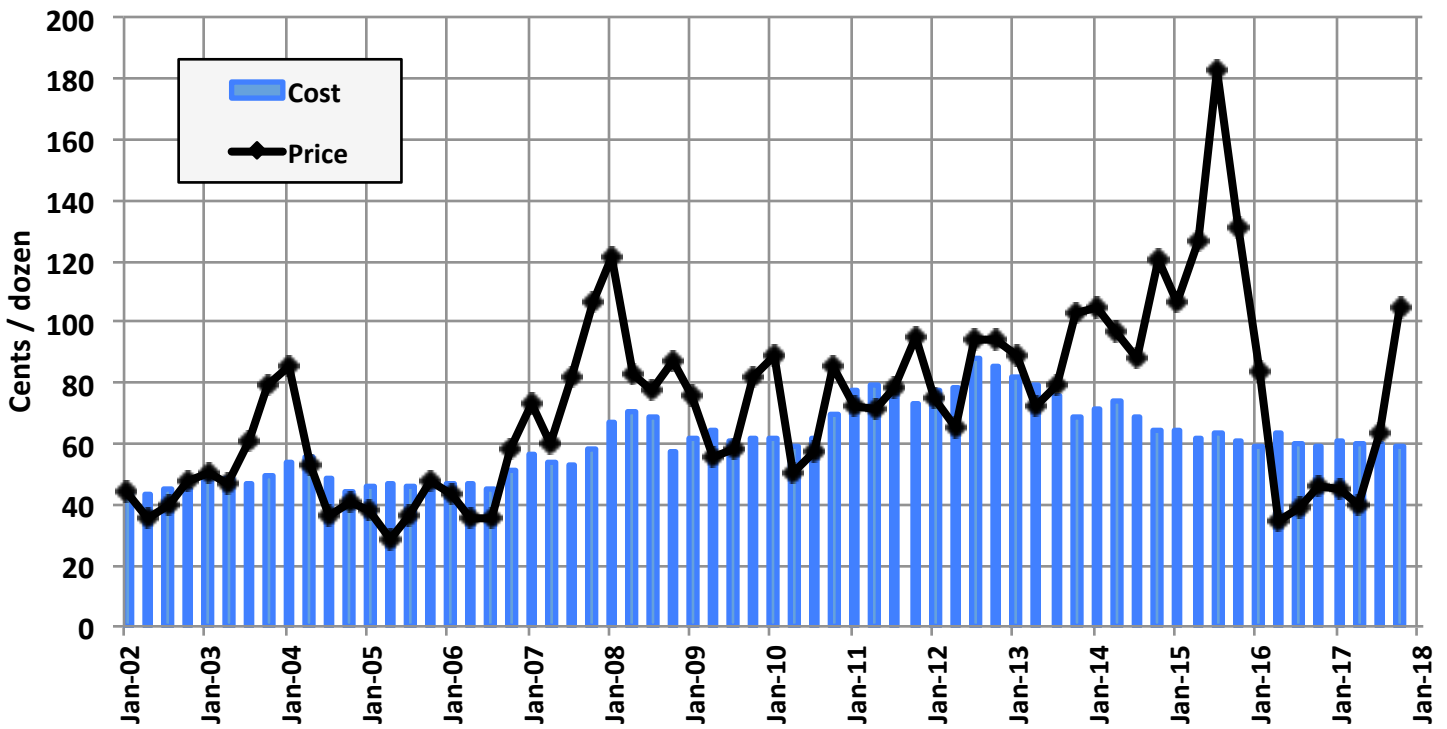
"Manuals" is estimated using the weighted average of Breeders Manuals (70% Hyline w-36, 15% Shaver White, 8% Lohmann LSL-Lite and 5% Bovans White) for 20 to 90 weeks of age.

"5% higher feed conv." is the estimated cost if the feed conversion were 5% higher than the breeders manuals value (using 3.30 lbs./dozen instead of 3.14 lbs./dozen)

"5% higher pullet feed." is the estimated cost if the feed used to grow pullets were 5% higher than the breeders manuals value (using 14.6 lbs./pullet instead of 13.9 lbs./pullet)

"lower eggs/ hen housed" is the estimated cost if the number of eggs per hen-housed were 5% lower than the breeders manuals value (using 394 eggs/hen-housed instead of 414 eggs/hen-house)

Figure 5: Estimated Cost of Production and Producer Non-Processed Egg Price in U.S. (Quarterly 2002-2017)



LARGE EGG PRICES - CONVENTIONAL (warehouse) AND CAGE-FREE (to 1st receivers) - (\$/dozen)

TABLE 10

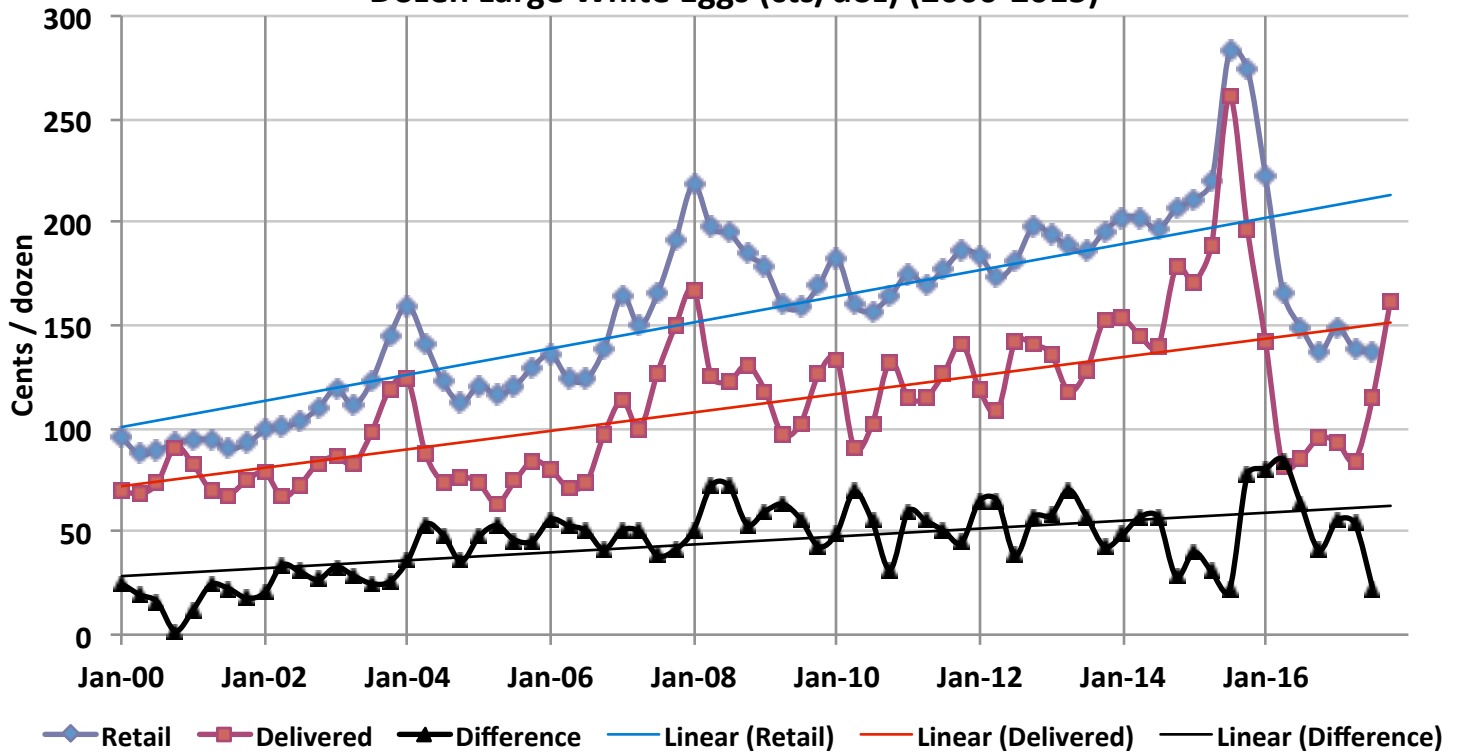
| Conventional White 4-Regions | | | | |
|------------------------------|-------------|-------------|-------------|-------------|
| month | 2014 | 2015 | 2016 | 2017 |
| Jan | 1.20 | 1.17 | 1.13 | 0.83 |
| Feb | 1.42 | 1.40 | 1.38 | 0.71 |
| Mar | 1.41 | 1.57 | 0.98 | 0.69 |
| Apr | 1.51 | 1.23 | 0.67 | 0.74 |
| May | 1.20 | 1.42 | 0.60 | 0.61 |
| Jun | 1.20 | 2.26 | 0.50 | 0.65 |
| Jul | 1.28 | 2.10 | 0.74 | 0.79 |
| Aug | 1.23 | 2.66 | 0.60 | 0.86 |
| Sep | 1.18 | 2.23 | 0.69 | 1.11 |
| Oct | 1.23 | 1.65 | 0.50 | 1.17 |
| Nov | 1.50 | 1.96 | 0.63 | 1.39 |
| Dec | 1.99 | 1.61 | 0.98 | 1.77 |
| 12 Month Avg. | 1.36 | 1.77 | 0.78 | 0.94 |

| Cage-Free to 1st receivers | | |
|----------------------------|------|-------------|
| month | 2016 | 2017 |
| Jan | | 1.58 |
| Feb | | 1.64 |
| Mar | | 1.64 |
| Apr | | 1.63 |
| May | | 1.64 |
| Jun | | 1.60 |
| Jul | | 1.61 |
| Aug | 1.86 | 1.61 |
| Sep | 1.91 | 1.60 |
| Oct | 1.80 | 1.60 |
| Nov | 1.64 | 1.60 |
| Dec | 1.64 | 1.60 |
| 12 Month Avg. | | 1.61 |

Source: USDA AMS Poultry Market News and Analysis

Notes: the "Conventional Warehouse" is the simple average of white egg prices of 4-regions: MW, NE, SC and SE
 the Cage-Free price includes pricing for both white and brown cage-free eggs

Figure 6: Quarterly Retail Price and Delivered to Store Door Price for a Dozen Large White Eggs (cts/doz) (2000-2015)



Sources: U.S. Bureau of Labor Statistics for Retail Prices; and Urner Barry for Midwest Delivered to Store

Note: the delivered to store door price is estimated from the Urner Barry quoted prices as the 5- region simple average (Northeast, Southeast, South Central, Midwest, and Northwest). California is not considered for the average because of the different production requirements.



We are currently working in developing a new price projection model



TABLE 11: U.S. CORN AND SOYBEAN PLANTINGS, HARVEST, AND UTILIZATION (2013 to 2017)

| Year | Corn | | Production Harvested (Million bushels) | Soybeans | | Production Harvested (Million bushels) |
|-----------------------------------|-------------------------|-------------------------|--|-----------------------------------|-------------------------|--|
| | Planted (Million acres) | Harvest (Million acres) | | Planted (Million acres) | Harvest (Million acres) | |
| 2013/14 | 95.4 | 87.5 | 13,829 | 76.8 | 76.3 | 3,358 |
| 2014/15 | 90.6 | 83.1 | 14,216 | 83.3 | 82.6 | 3,927 |
| 2015/16 | 88.0 | 80.8 | 13,601 | 82.7 | 81.7 | 3,929 |
| 2016/17 | 94.0 | 86.7 | 15,148 | 83.4 | 82.7 | 4,307 |
| Projections December, 2017 | | | | Projections December, 2017 | | |
| 2017/18 | 90.4 * | 83.1 * | 14,578 | 90.2 * | 89.5 * | 4,425 |

Utilization of Soybean for Various Purposes (Million bushels)

| Year | Begin. Stocks | Production | Imports | Total Supply | Crush | Seed Feed & residual | % Crush of total | Exports | Net Use | Ending Stocks |
|----------|---------------|------------|---------|--------------|-------|----------------------|------------------|---------|---------|---------------|
| 2013/14 | 141 | 3,358 | 72 | 3,570 | 1,734 | 97 | 48.6 | 1,638 | 3,478 | 92 |
| 2014/15 | 92 | 3,927 | 33 | 4,052 | 1,873 | 96 | 46.2 | 1,842 | 3,862 | 191 |
| 2015/16 | 191 | 3,926 | 24 | 4,140 | 1,886 | 97 | 45.6 | 1,942 | 3,944 | 197 |
| 2016/17 | 197 | 4,296 | 22 | 4,515 | 1,899 | 105 | 42.1 | 2,174 | 4,214 | 301 |
| 2017/18+ | 301 | 4,425 | 25 | 4,752 | 1,940 | 106 | 40.8 | 2,225 | 4,306 | 445 |

Utilization of Corn for Various Purposes (Million bushels)

| Year | Begin. Stocks | Production | Imports | Total Supply | Feed | (Fuel) * | Food & Industrial | Exports | Net Use | Ending Stocks |
|----------|---------------|------------|---------|--------------|-------|----------|-------------------|---------|---------|---------------|
| 2013/14 | 821 | 13,829 | 36 | 14,686 | 5,040 | 5,124 | 6,493 | 1,920 | 13,454 | 1,232 |
| 2014/15 | 1,232 | 14,216 | 32 | 15,479 | 5,280 | 5,200 | 6,601 | 1,867 | 13,748 | 1,731 |
| 2015/16 | 1,731 | 13,602 | 68 | 15,401 | 5,114 | 5,224 | 6,648 | 1,901 | 13,664 | 1,737 |
| 2016/17 | 1,737 | 15,148 | 57 | 16,942 | 5,463 | 5,439 | 6,891 | 2,293 | 14,647 | 2,295 |
| 2017/18+ | 2,295 | 14,578 | 50 | 16,922 | 5,575 | 5,525 | 6,985 | 1,925 | 14,485 | 2,437 |

+ (forecast December, 2017)

* Fuel is included in the "Food and Industrial" category

| | Feed | Fuel | Food & Industrial * | Exports | Ending Stocks |
|----------|-------|-------|---------------------|---------|---------------|
| 2013/14 | 34.3% | 34.9% | 9.3% | 13.1% | 8.4% |
| 2014/15 | 34.1% | 33.6% | 9.1% | 12.1% | 11.2% |
| 2015/16 | 33.2% | 33.9% | 9.2% | 12.3% | 11.3% |
| 2016/17 | 32.2% | 32.1% | 8.6% | 13.5% | 13.5% |
| 2017/18+ | 32.9% | 32.6% | 8.6% | 11.4% | 14.4% |

* excluding the use for fuel

Sources Acknowledgements (double click on the links below and you can go directly to the source):

- Feedstuffs weekly newspaper <http://www.feedstuffs.com>
- USDA ERS Feed Outlook <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1273>
- USDA ERS Oil Crops Outlook <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1288>
- Urner Barry <http://www.ubcomtell.com/>
- Bureau of Labor Statistics <http://data.bls.gov/cgi-bin/srgate>
- USDA Marketnews <https://www.marketnews.usda.gov/mnp/py-report-config?category=Egg>
- USDA Cage-Free Shell Egg Report <https://www.ams.usda.gov/mnreports/pymcagefree.pdf>

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Don -
Thank you for all your contributions to this industry.
You will be forever missed.
Your friends at EIC