



SOUTH AFRICAN POULTRY ASSOCIATION

Founded 1904

MONTHLY EGG PRICE REPORT: OCTOBER 2018

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 23.2% 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	12 452 889	10 447 128	2 005 761
	Rands	R190 249 384	R167 501 992	R22 747 392

Table 2: Average prices

	Total R/doz	Graded R/doz	Ungraded R/doz
Cages	R15.28	R16.03	R11.34
Free Range/Barn	R26.90	R26.90	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 October 2018 price for cage eggs was R15.28 per dozen.

- Compared to September the egg price decreased by 8.0%;
- Compared to October 2017 it decreased by 6.7%.

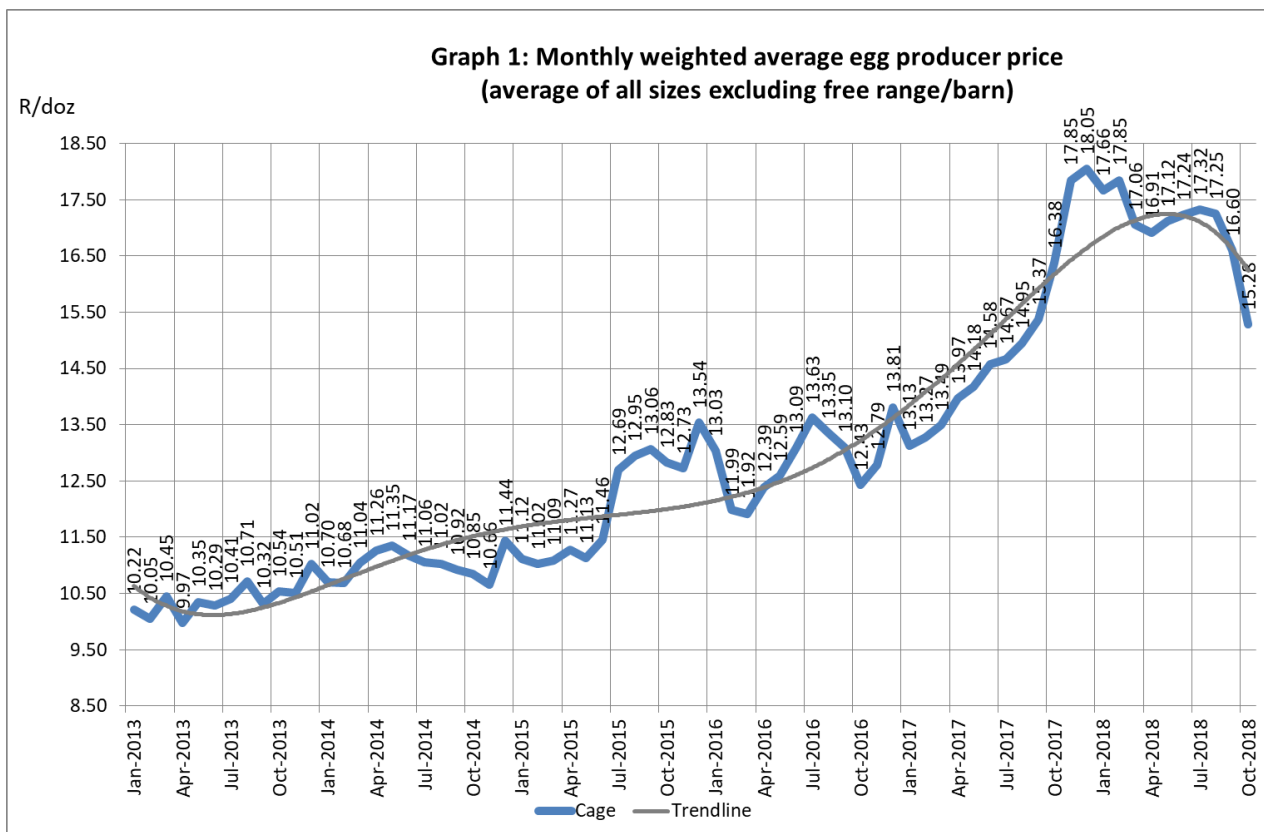


Table 3 shows the average egg prices (excluding free range/barn) since 2013 and the year-on-year percentage change.

Table 3: Egg prices

Year	2013	2014	2015	2016	2017	2018 YTD
R/doz	10.40	11.01	12.07	12.84	14.99	17.03
% change	9.5	5.9	9.6	6.4	16.7	13.6

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.

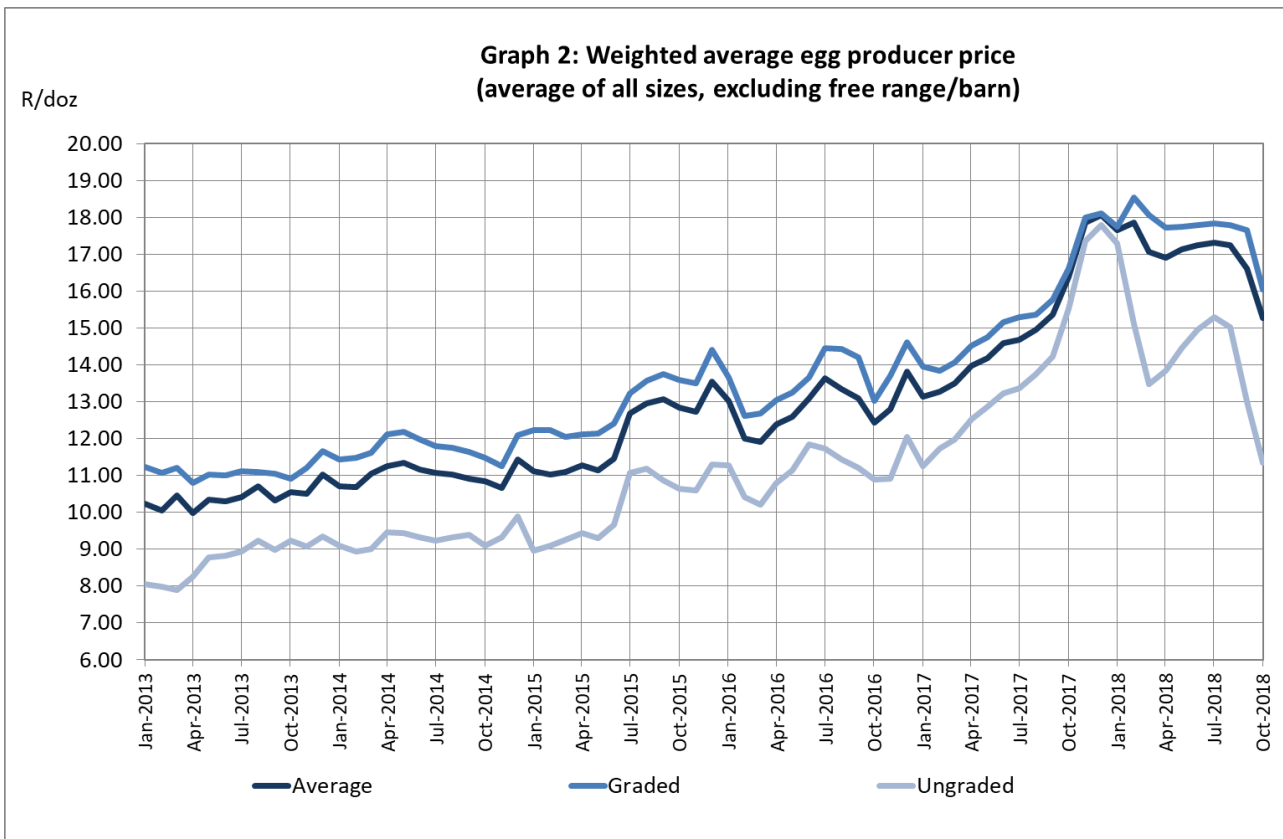
During October 2018, the average egg price for graded eggs was R16.03 per dozen.

- This is a decrease of 9.2% in comparison with September 2018;
- This is a decrease of 3.4% in comparison with October 2017.

In the same month, the average egg price for ungraded eggs was R11.34 per dozen.

- This is a decrease of 12.7% in comparison with September 2018;
- This is an increase of 27.0% in comparison with October 2017.

In the sample surveyed, of the total dozens sold for September 2018, 84% were graded and 16% were ungraded.



4. FEED PRICE

The weighted average feed price includes distribution but excludes medication, additives and VAT. The monthly average feed price for October 2018 was R3 413/tonne (20.3% representation). It increased by 2.4% on a monthly basis and increased by 10.1% on a yearly basis (Graph 3).

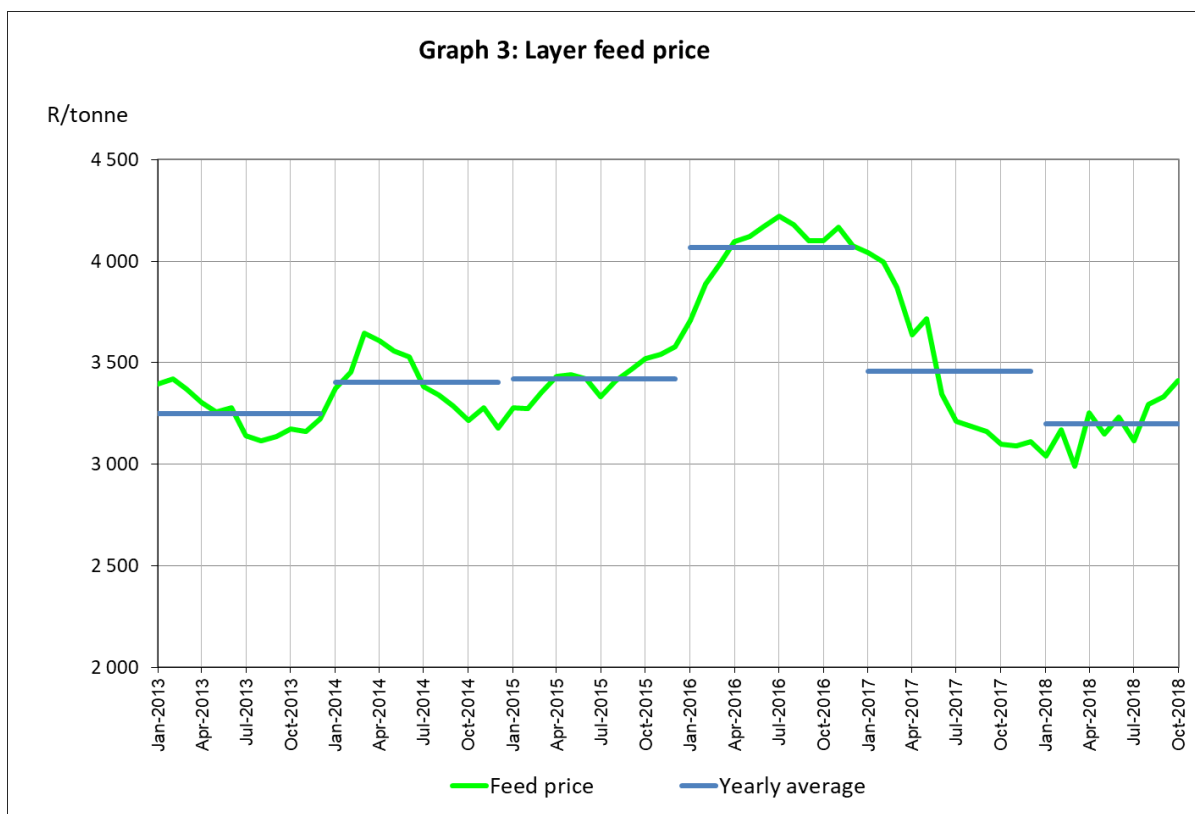


Table 4 shows the average feed prices since 2013 and the year-on-year percentage change.

Table 4: Feed prices

Year	2013	2014	2015	2016	2017	2018 YTD
R/tonne	3 248	3 405	3 422	4 069	3 457	3 200
% change	+12.0	+4.8	+0.49	+18.9	-15.0	-7.4

5. CULL PRICE AND AGE

The average price per cull hen for the month of October 2018 was R25.78 (14.2% representation), a decrease of 10.2% on a monthly basis and a decrease of 13.5% on a yearly basis (Graph 4). The average cull age at depletion during the month was 76.5 weeks.

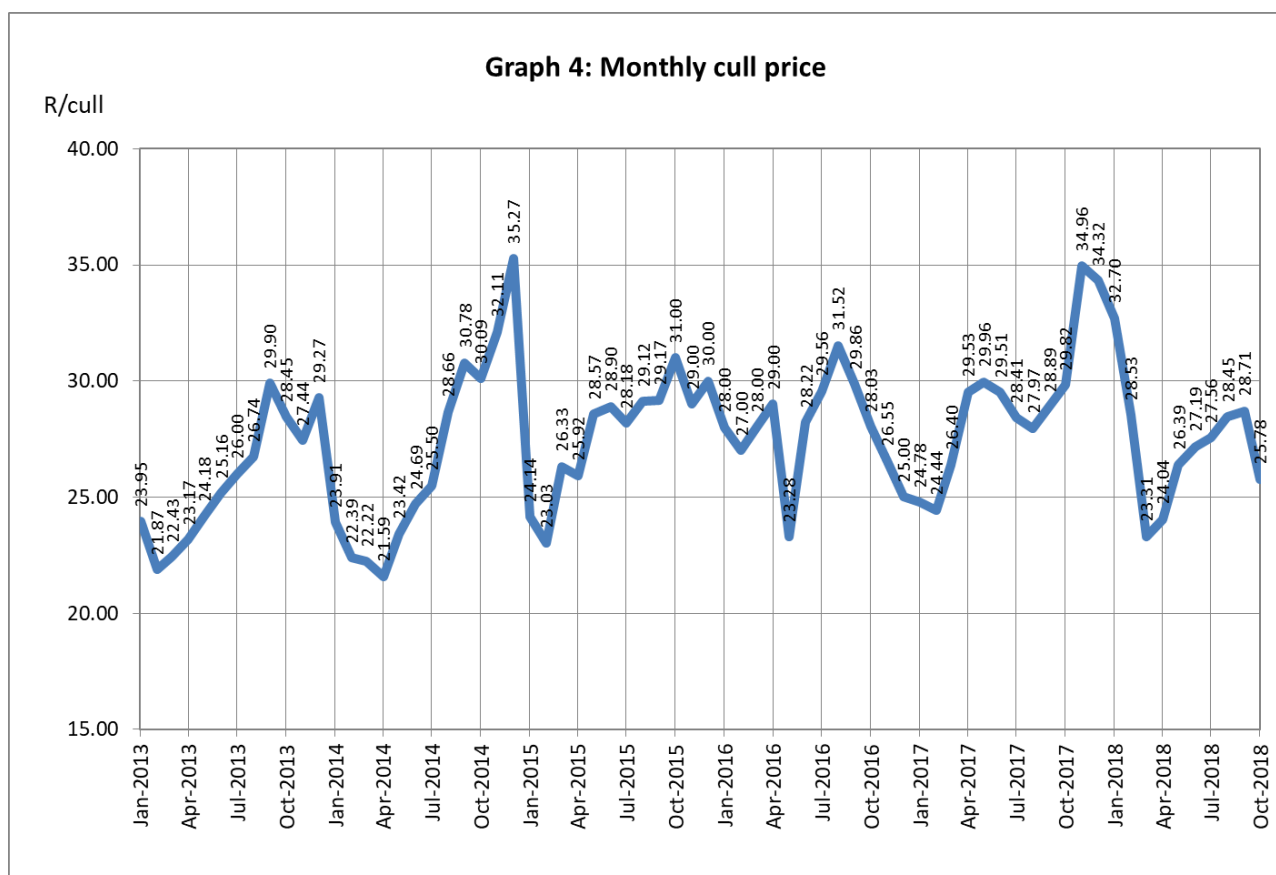


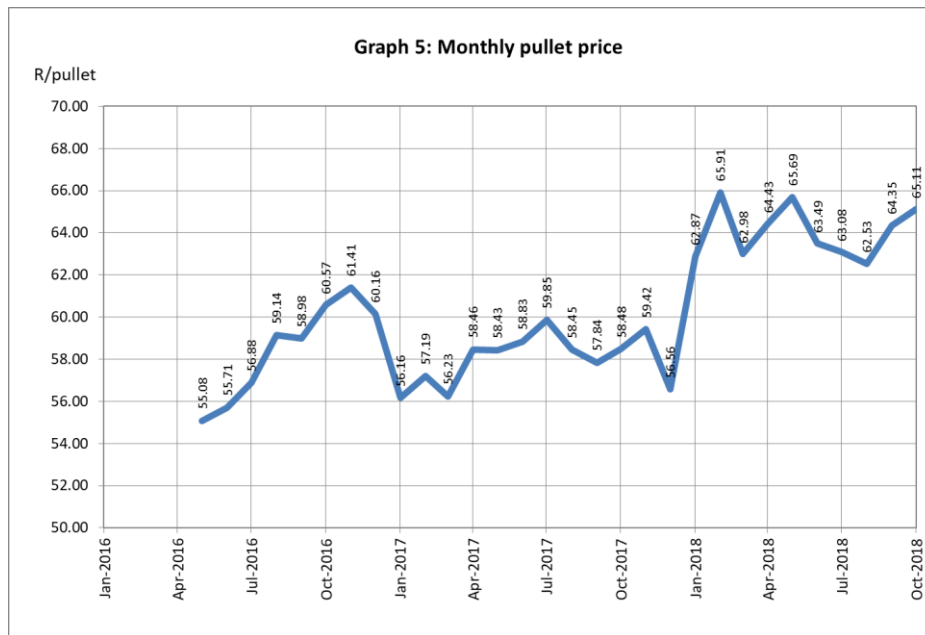
Table 5 shows the average cull prices since 2013 and the year-on-year percentage change, as well as the average cull age.

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	27.27
% change	+8.5	+3.9	+4.0	+0.2	+4.5	-6.2
Age (weeks)	73.4	75.2	74.8	71.8	72.8	75.7

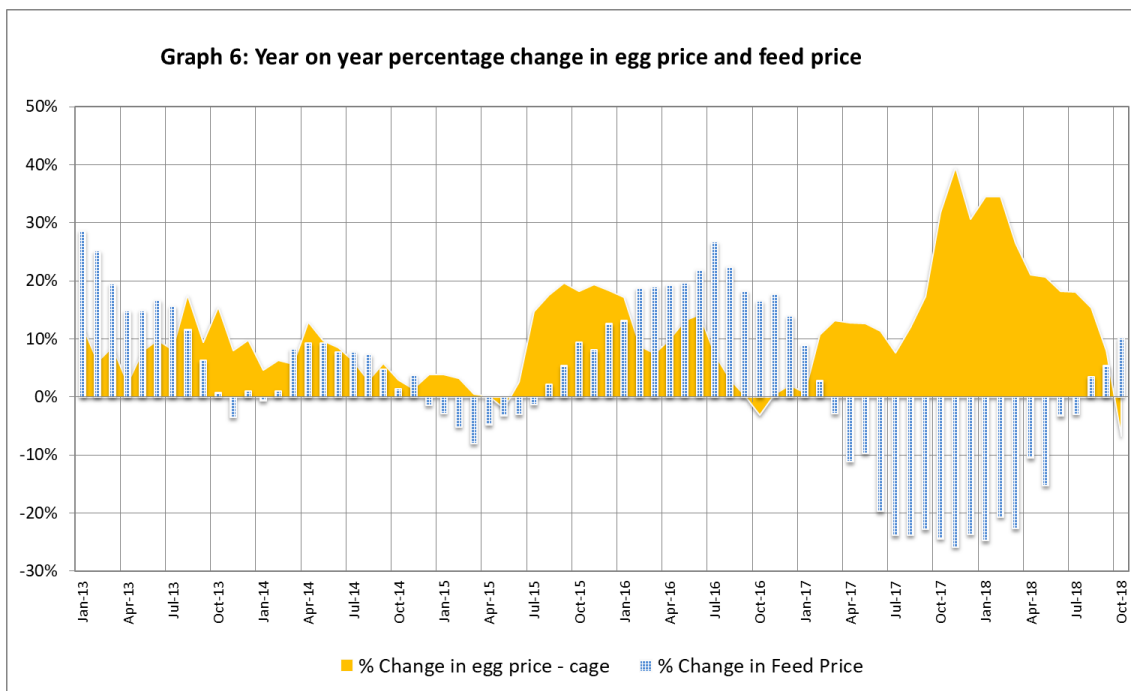
6. POINT-OF-LAY PULLET PRICES

The average price per point-of-lay pullet for the month of October 2018 was R65.11 (6.3% representation), an increase of 1.2% on a monthly basis and an increase of 11.3% 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, however the second part of the year is less positive, especially in October with increasing feed prices and decreasing egg prices.



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.