HPAI AND THE EGG SECTOR

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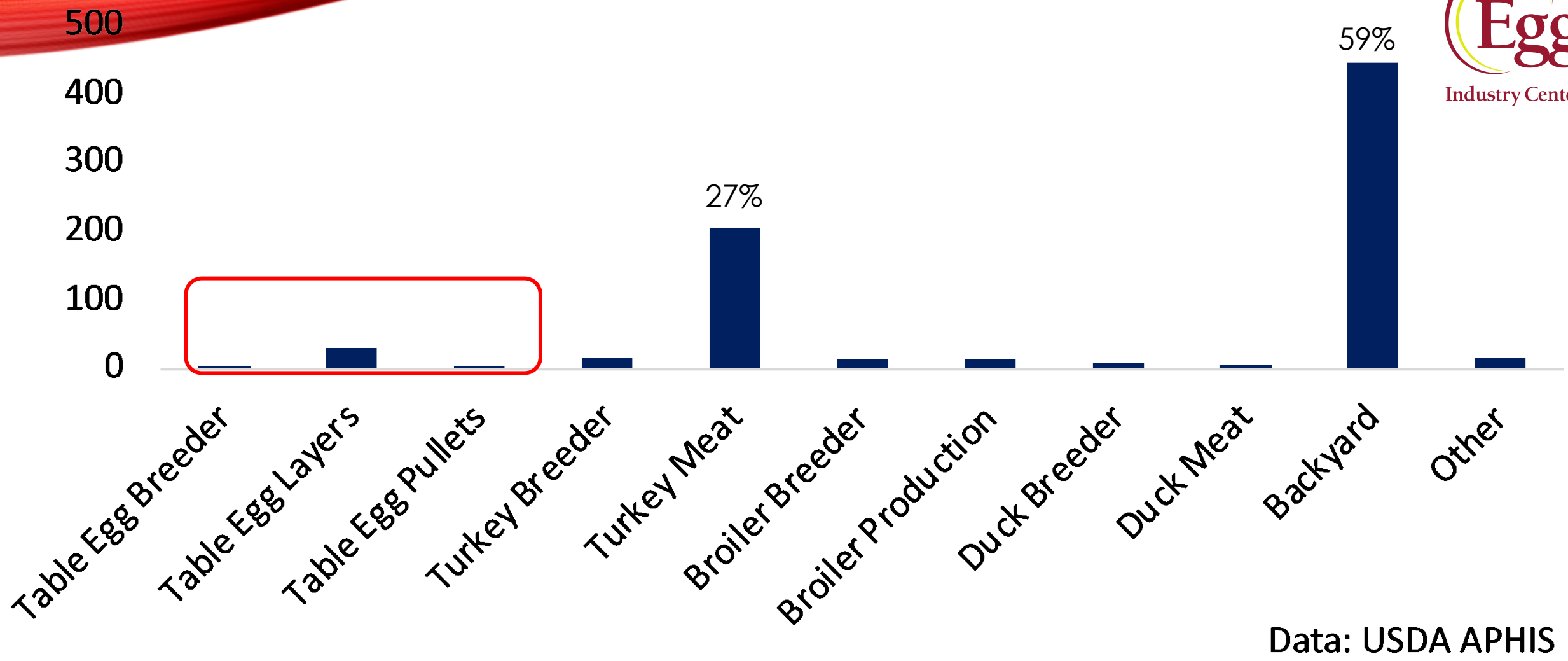
USDA 2023 Agricultural Outlook Forum
Arlington, VA, February 24th 2023

Egg Industry Center
ADVANCING SCIENCE FOR A THRIVING INDUSTRY

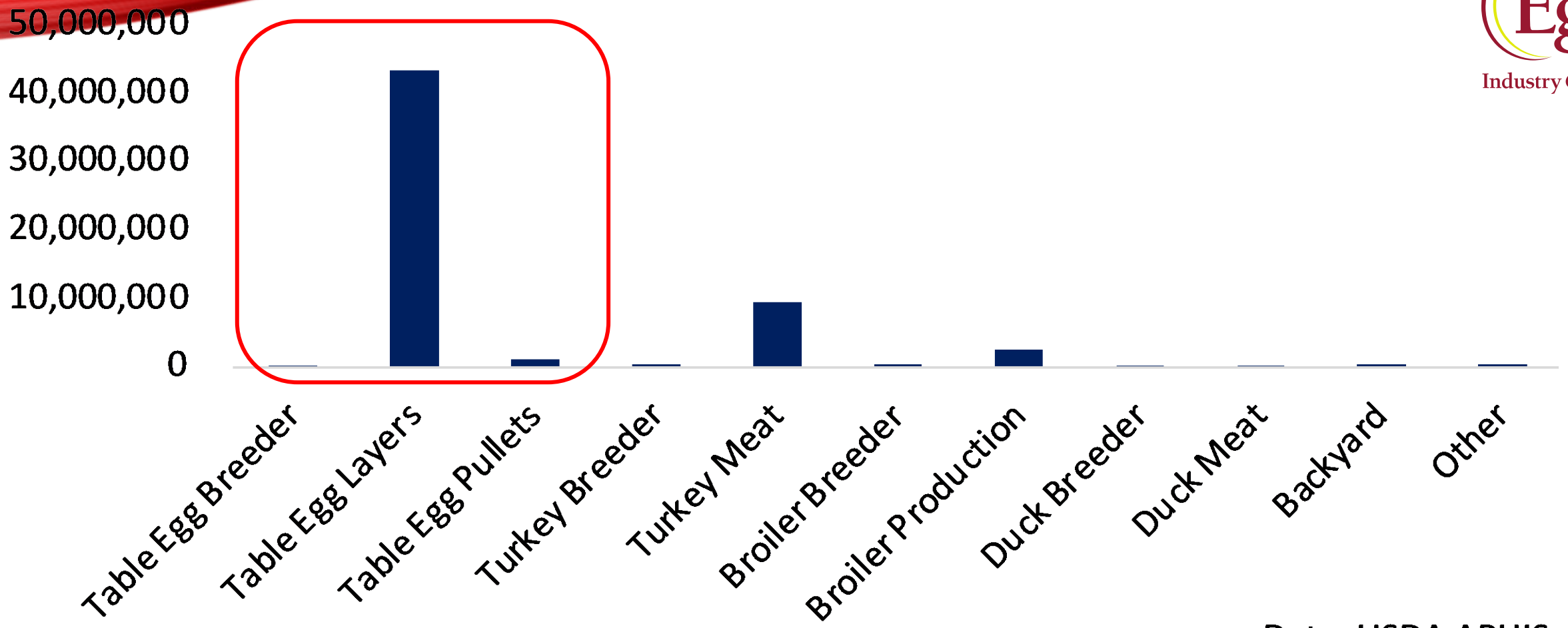
Number of Farms affected by HPAI (2/8/2022 to 2/15/2023)



Data: USDA APHIS

762 flocks in 47 States (not in WV, LA and HI
Table egg layers and pullets: 5% of premises affected

Number of Birds affected by HPAI (2/8/2022 to 2/15/2023)



Data: USDA APHIS

Table egg layers (43.3 M) and pullets (1.0 M): 76% of birds affected

Average size of premises affected: 1.4 M

SIX STATES REPRESENT 85% OF THE LAYING HENS LOSSES

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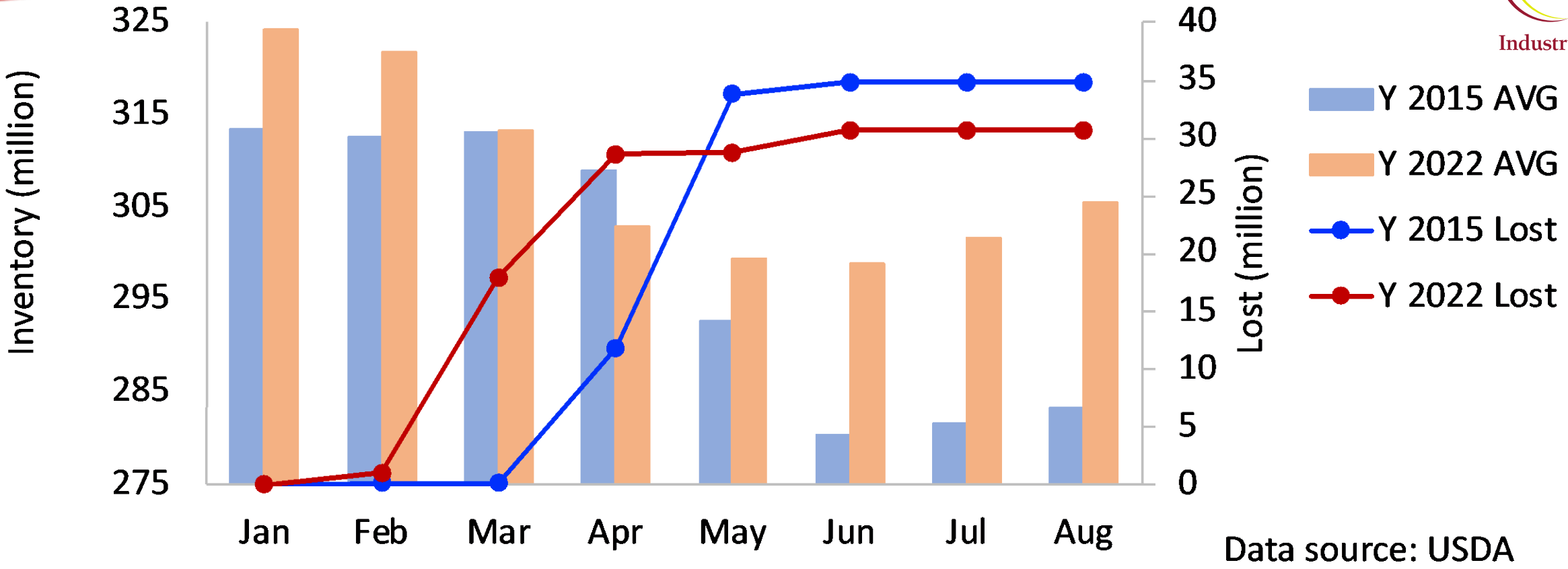
	Premises	Layers	% of losses (layers)
IA	6	14,857,900	34%
CO	5	5,983,700	14%
NE	3	5,564,900	13%
PA	6	3,846,300	9%
OH	1	3,748,500	9%
WI	1	2,750,700	6%

	Premises	Layers	% of losses (layers)
UT	1	1,501,200	3%
SD	2	1,452,400	3%
MD	2	1,307,400	3%
DE	1	1,046,900	2%
WA	1	1,015,500	2%
MN	1	216,200	0%

In 2015 IA represented 73% of the layers lost, MN 11% and NE 10%

Source: USDA APHIS

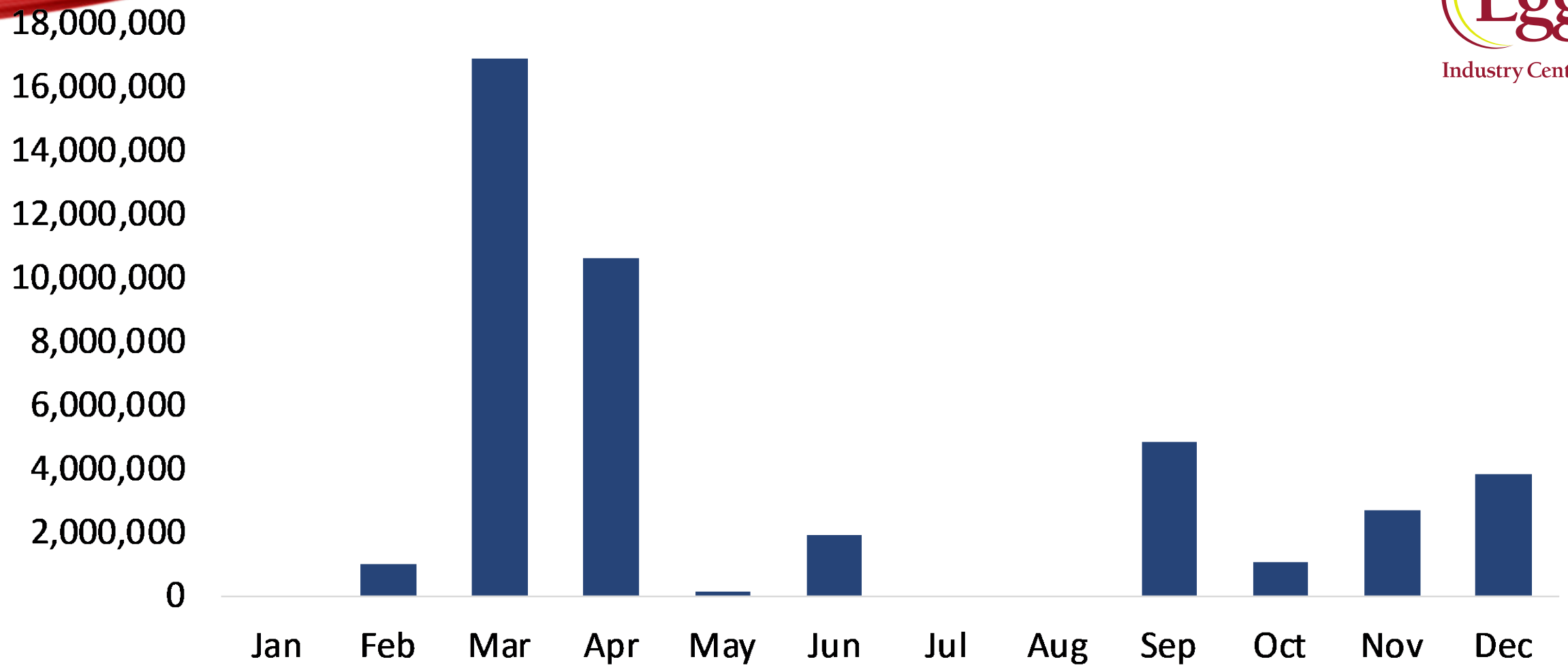
Laying hens inventory and lost to HPAI



Data source: USDA

Trends looked similar until August, starting 1 month earlier in 2022

Number of table egg layers affected by month



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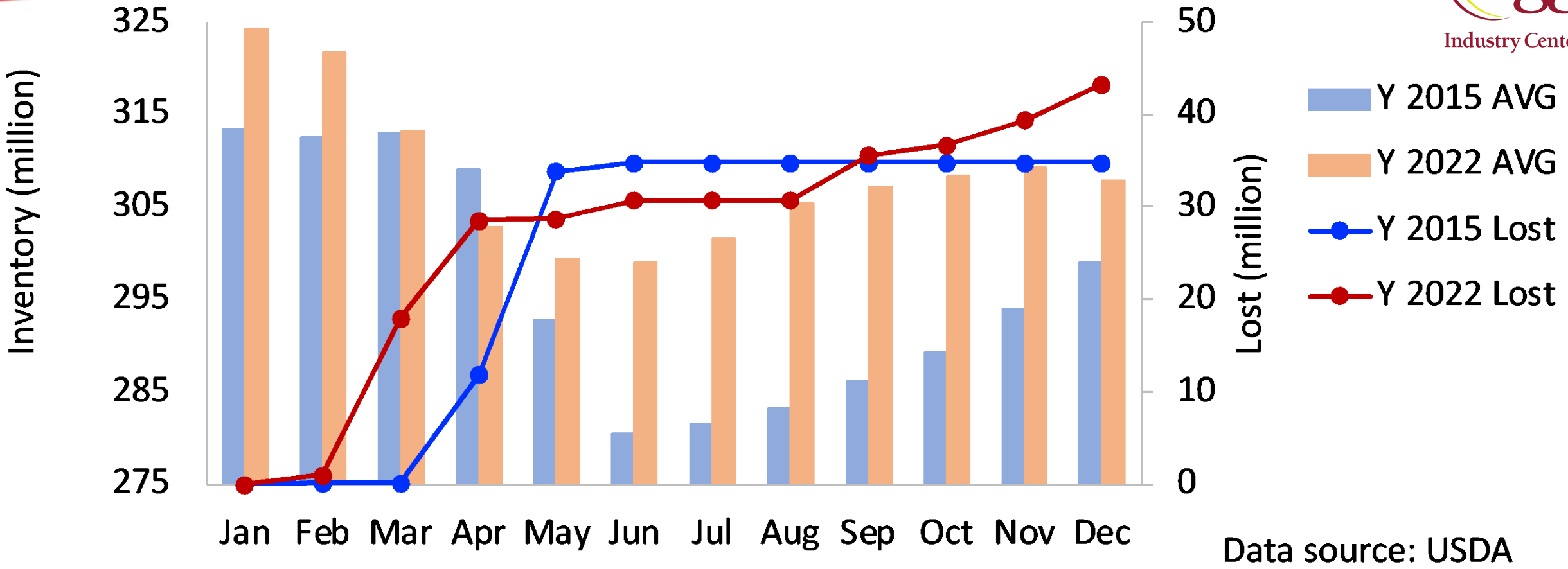
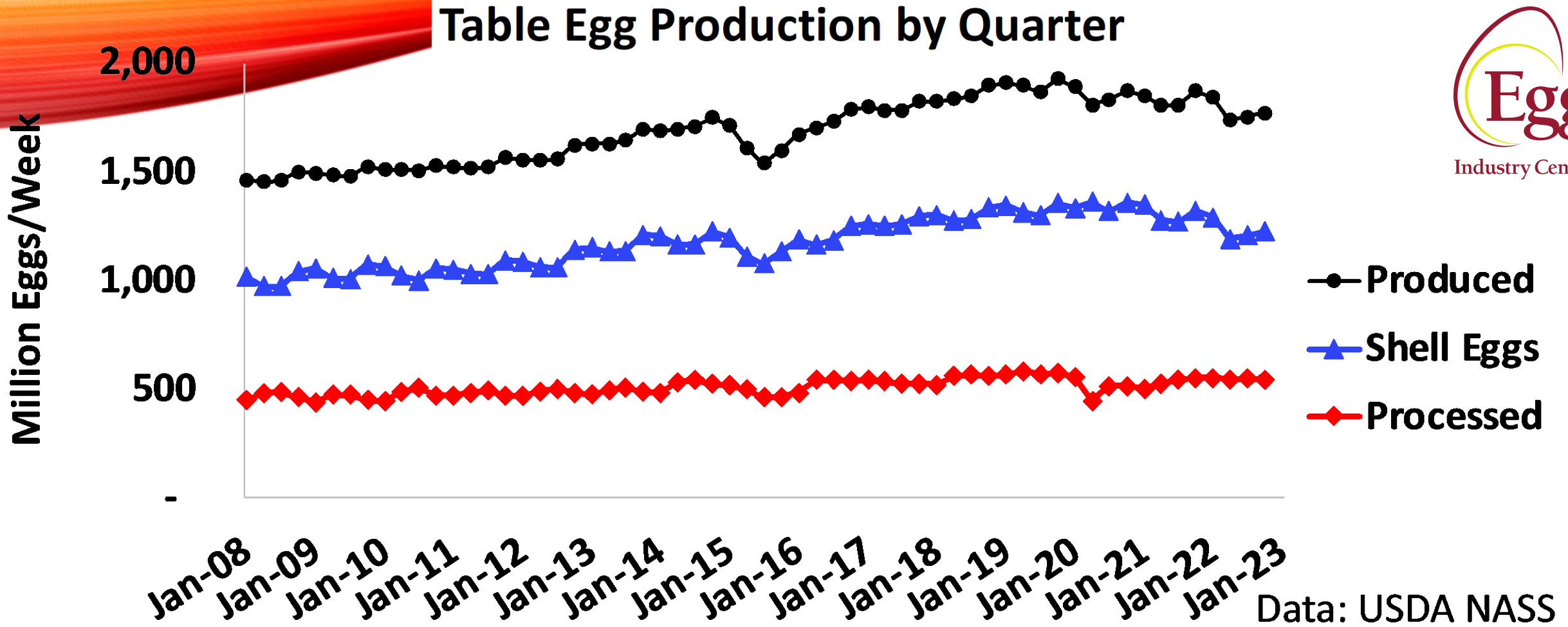
Laying hens inventory and lost to HPAI



Data source: USDA

Trends looked similar until August, starting 1 month earlier in 2022
But more outbreaks happened in the Fall

Table Egg Production by Quarter



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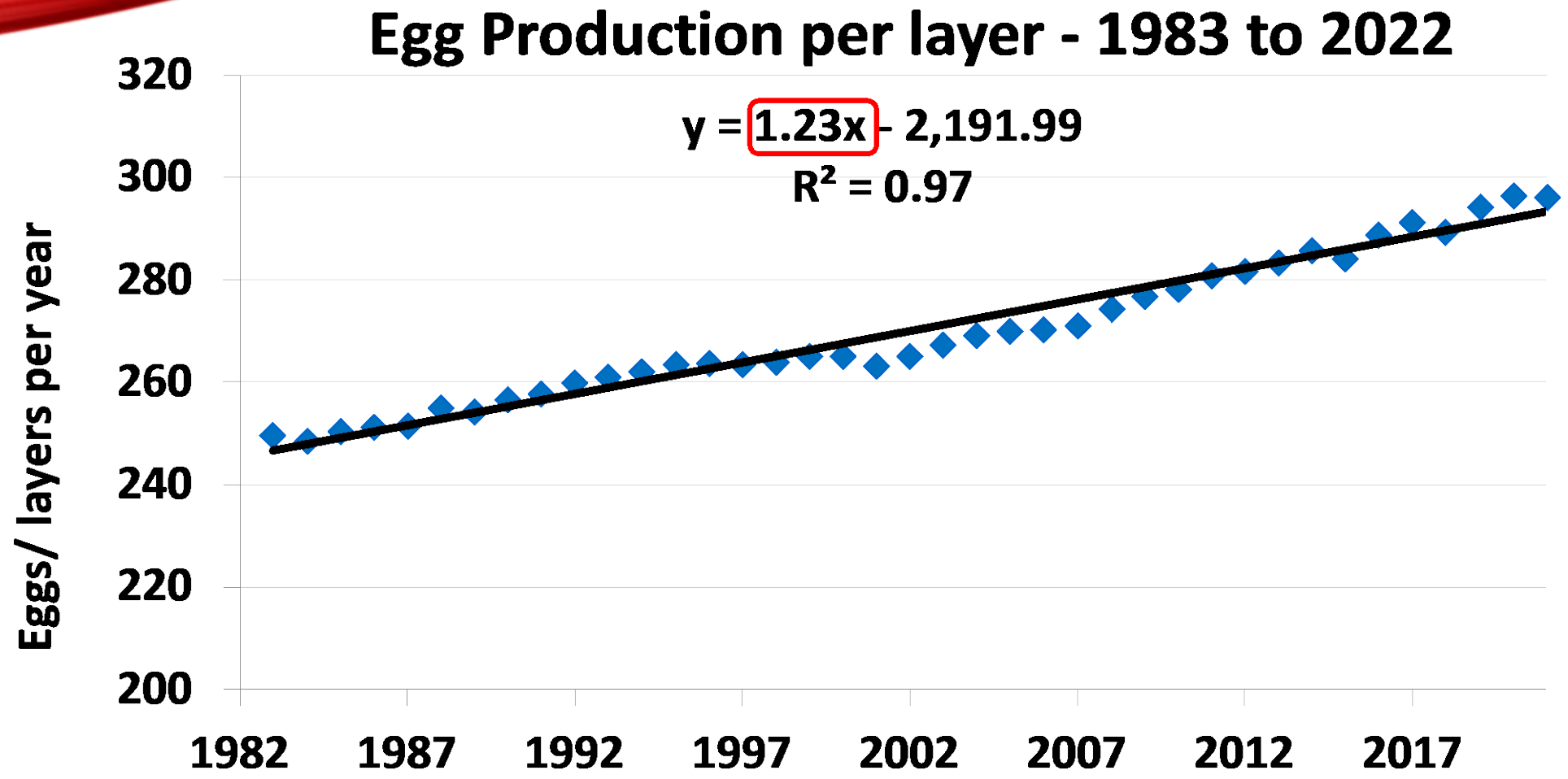
Comparing to the previous year:

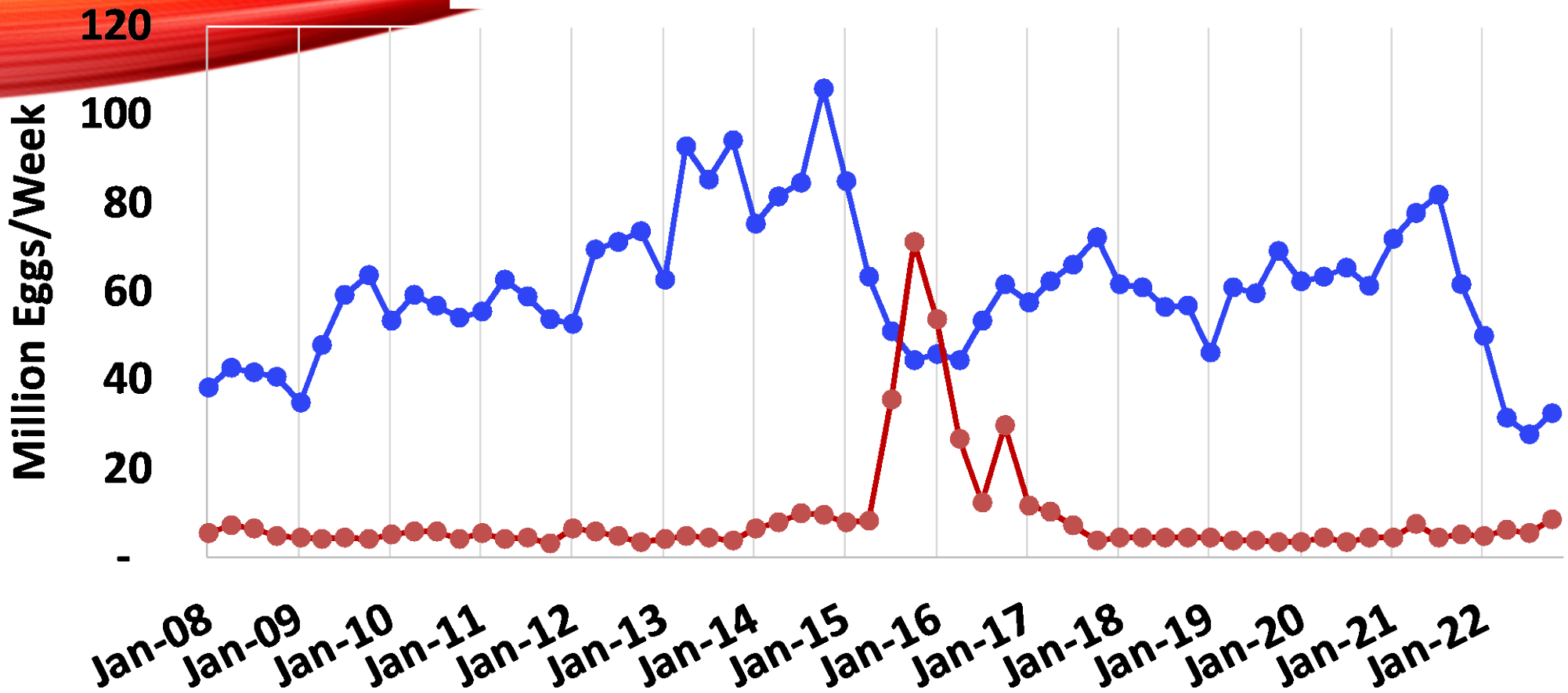
- Table eggs produced were 3% lower
- Eggs broken for further processing were 3% higher
- Shell eggs were 5% lower



Age and molt also affects the U.S. flock average performance

Source: USDA NASS Chickens and Eggs

Non-Hatching Type Egg Trade by Quarter



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Data: USDA APHIS

Comparing 2015 and 2022:

- Exports decreased 52% in 2022 (dropped 30% in 2015 but starting from a higher level)
- Imports increased 42% in 2022 (increased 267% in 2015)

U.S. Inventory of Shell Eggs and Frozen Egg Products

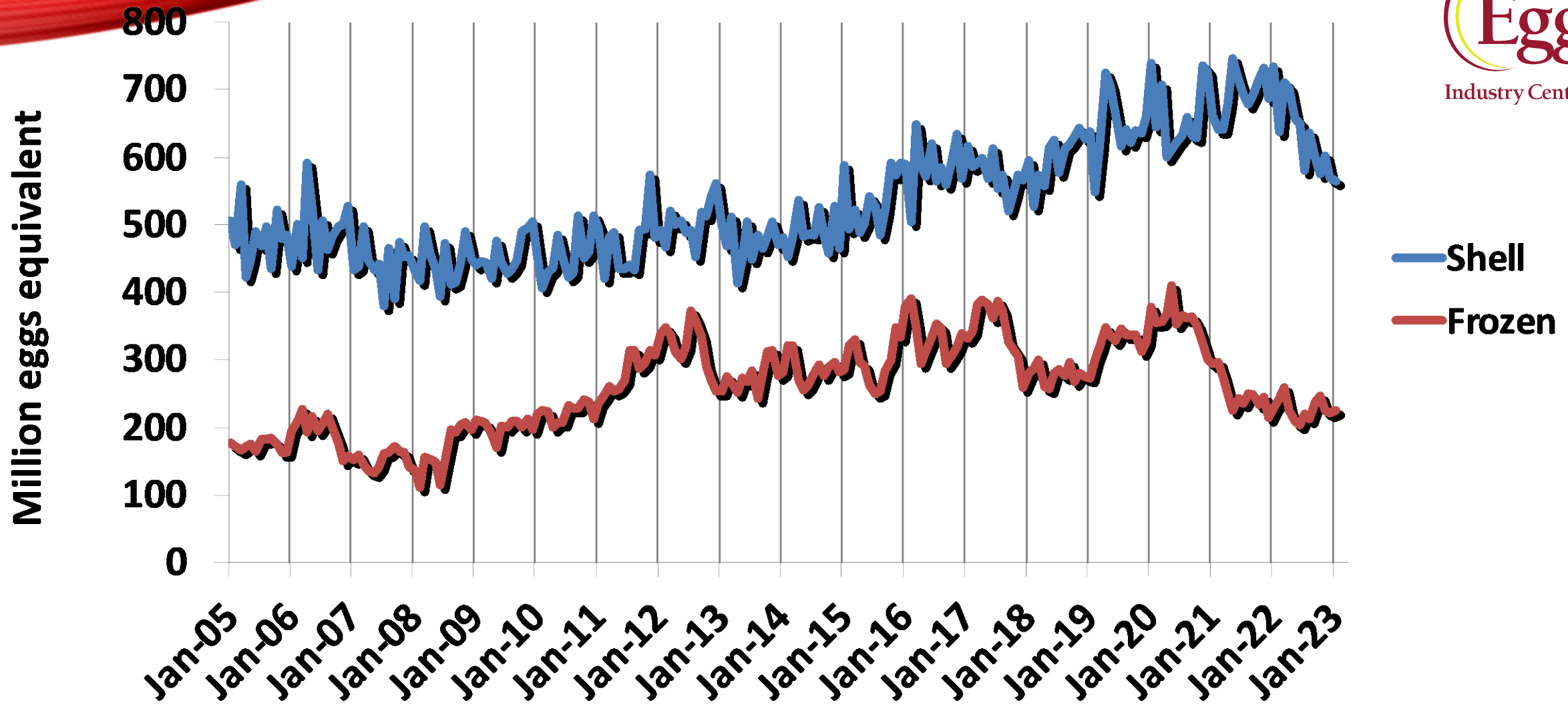

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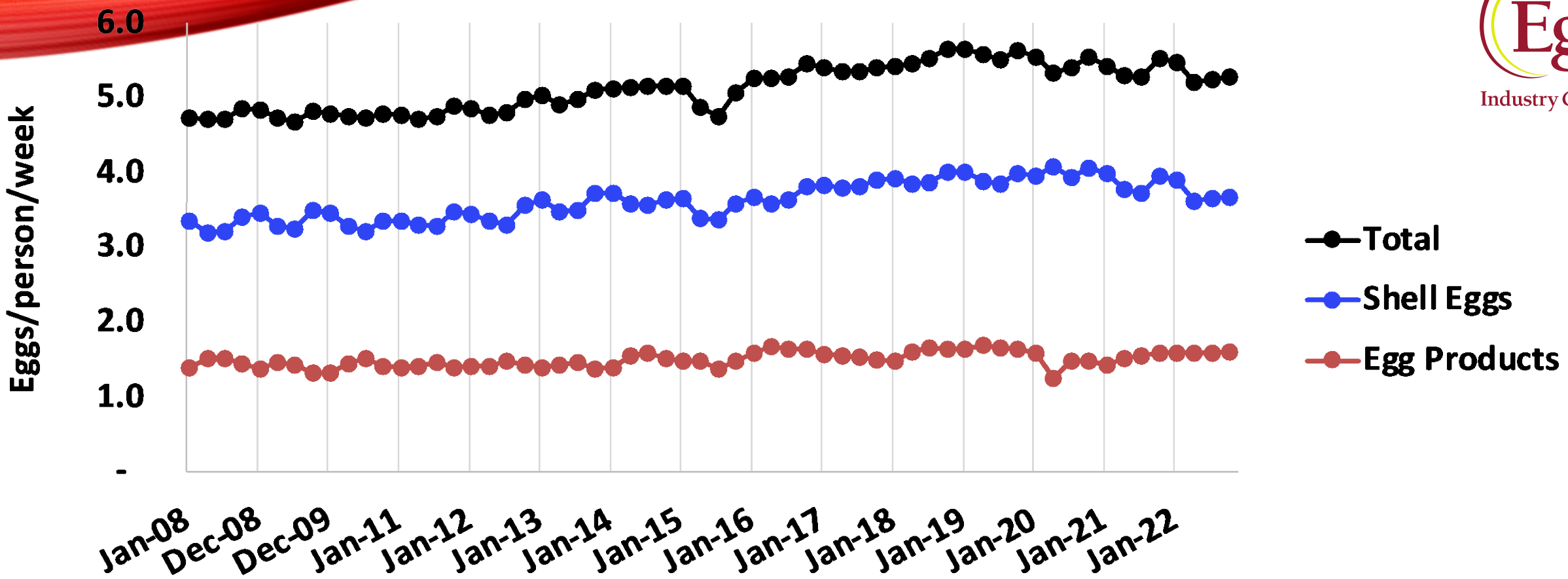
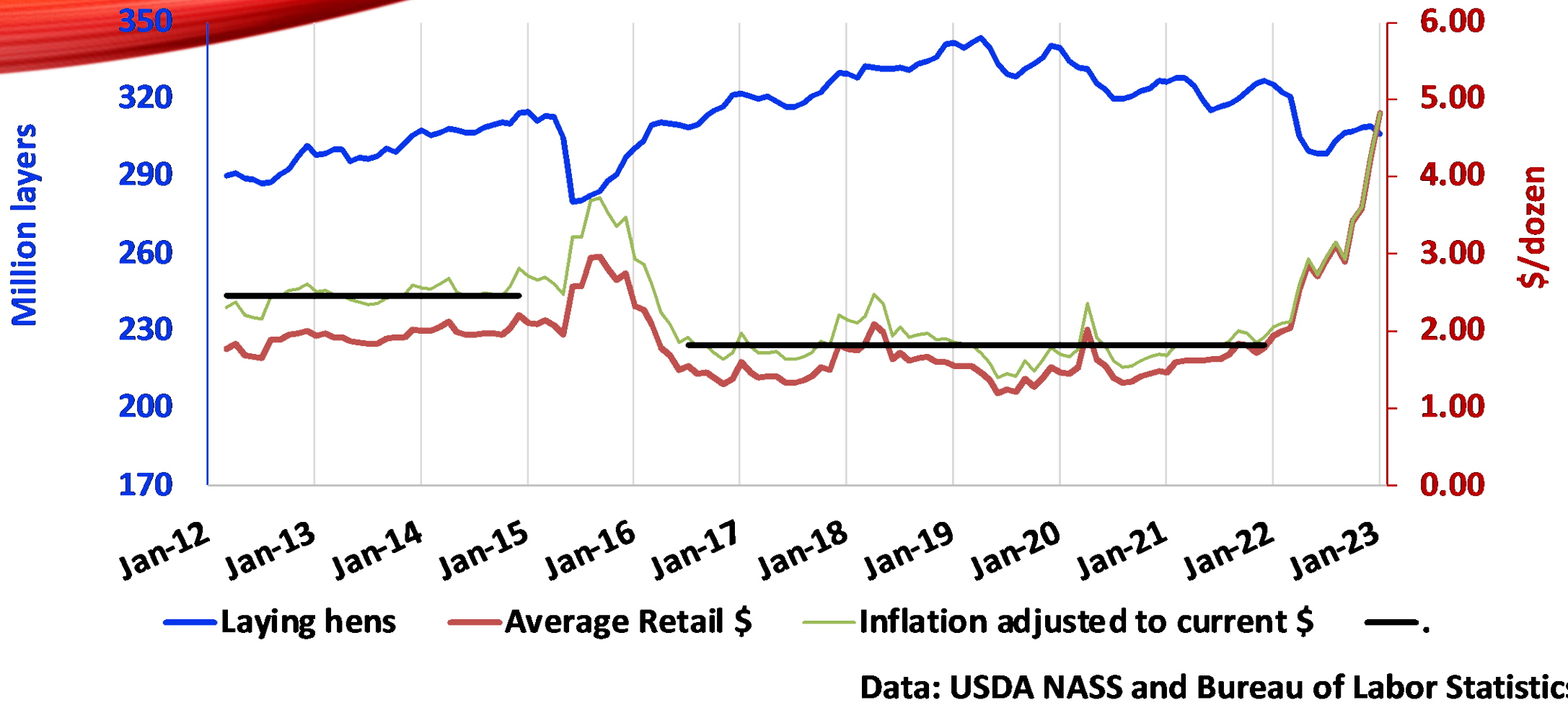
TABLE EGG DISAPPEARANCE PER PERSON



Egg disappearance change with respect previous year

- Total eggs: -1% (was -3% in 2015) - still 3% higher than 2014
- Eggs products: +5% (was -4% in 2015)
- Shell eggs: -4% (was -3% in 2015)

Average number of laying hens and retail price of large white eggs



Data: USDA NASS and Bureau of Labor Statistics

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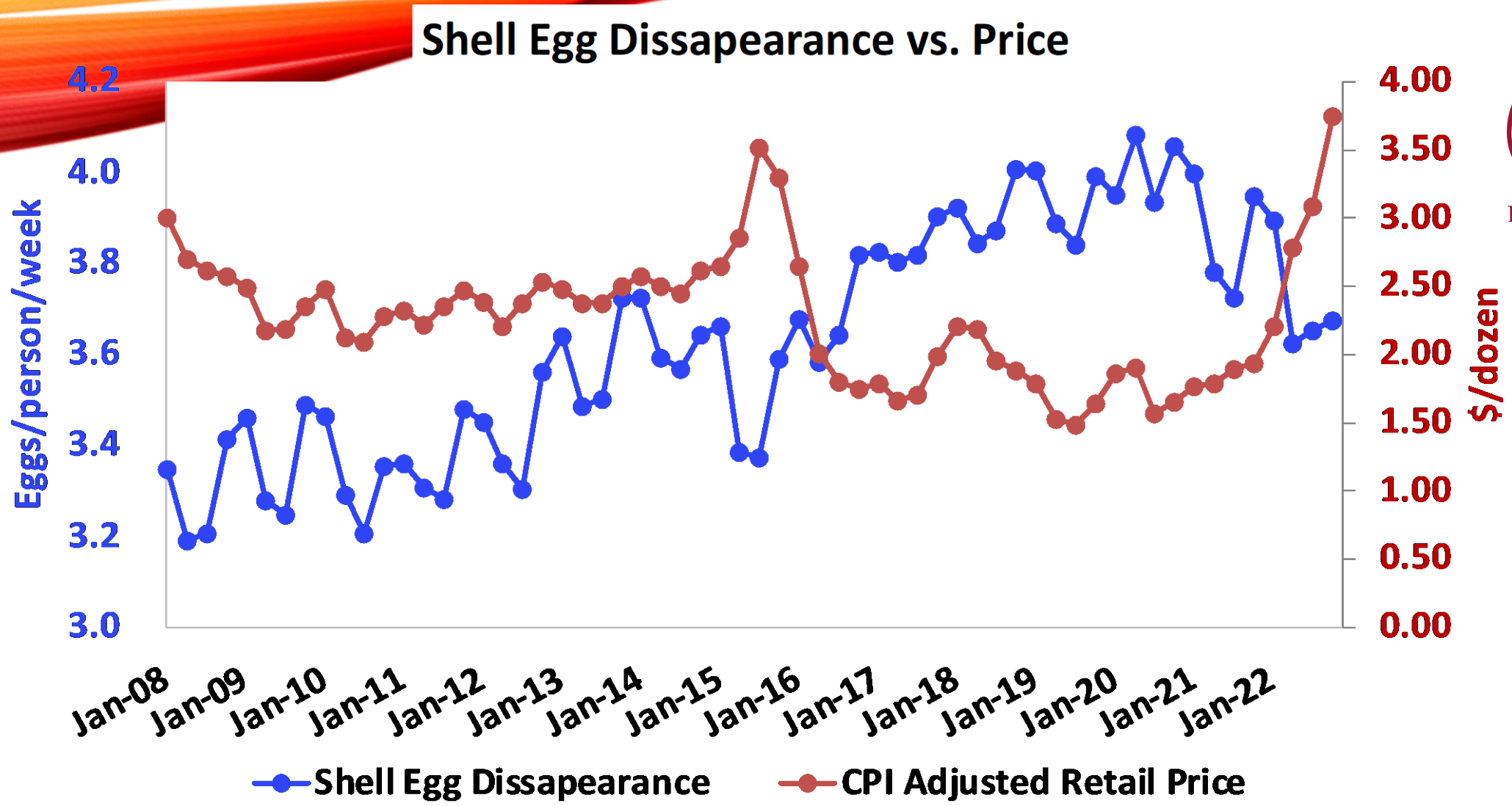
Flock size was 4.5% lower and retail price was 71% higher than in 2021

Retail price was 16% higher than in 2015, but 7% lower when CPI adjusted



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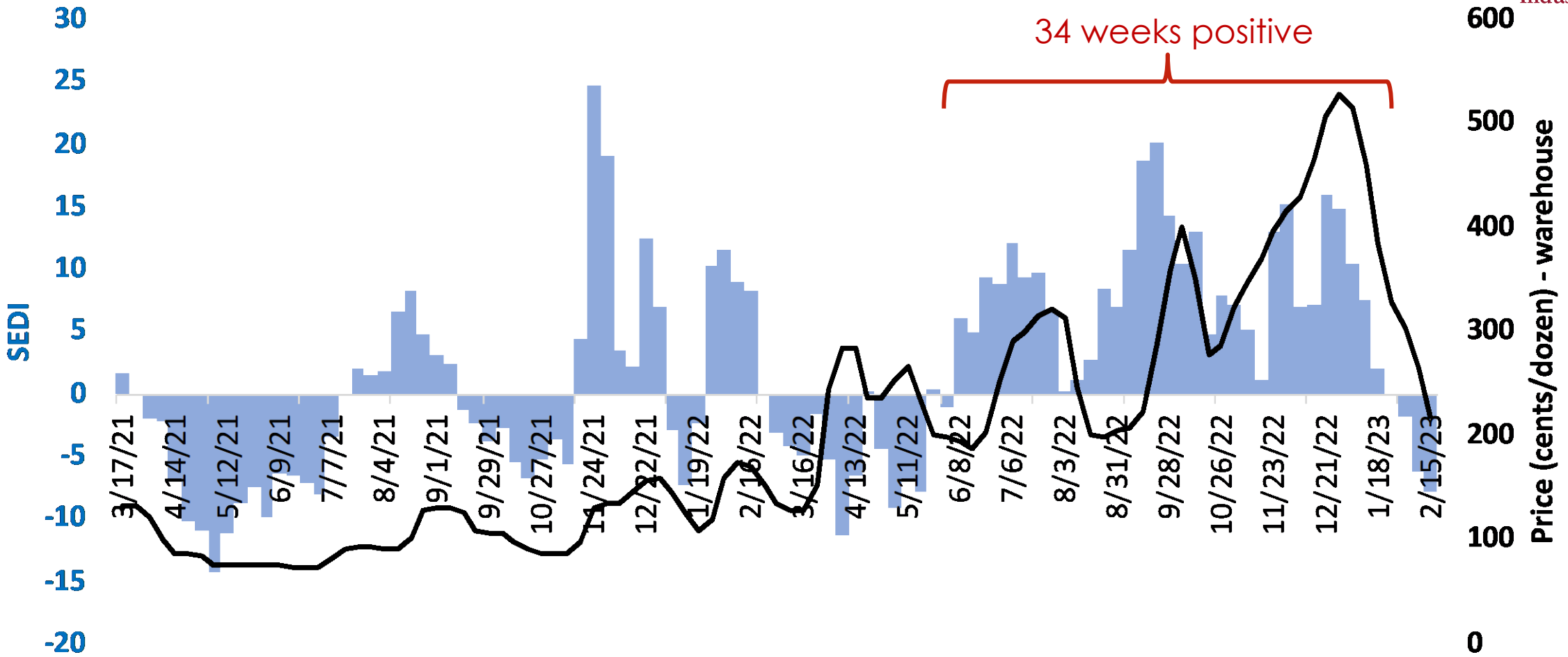
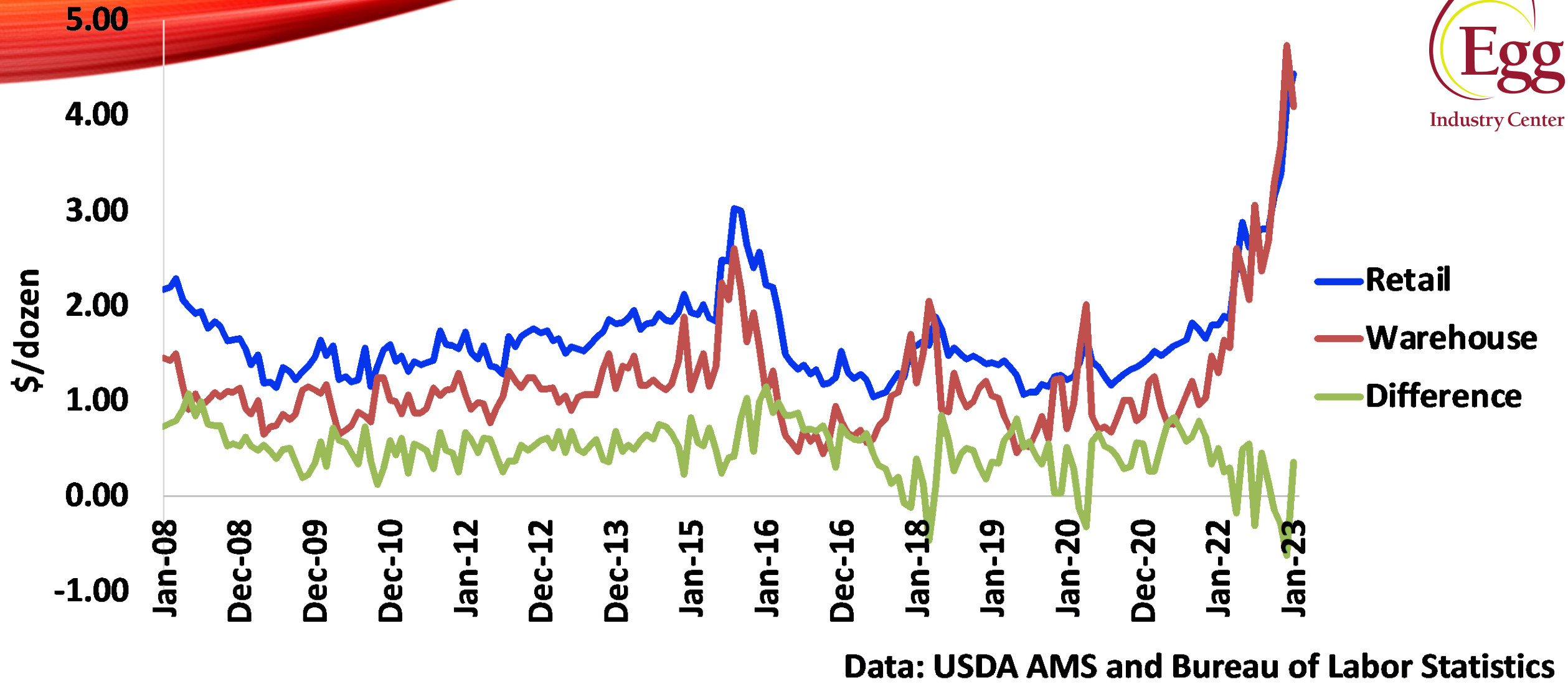
Yearly correlation: 0.64
Seasonality is very important

SHELL EGG DEMAND INDICATOR VS. MIDWEST LARGE EGG PRICE



Source: USDA AMS

Midwest large white prices



Data: USDA AMS and Bureau of Labor Statistics

Normally there is 1 month lag between the warehouse and the retail price

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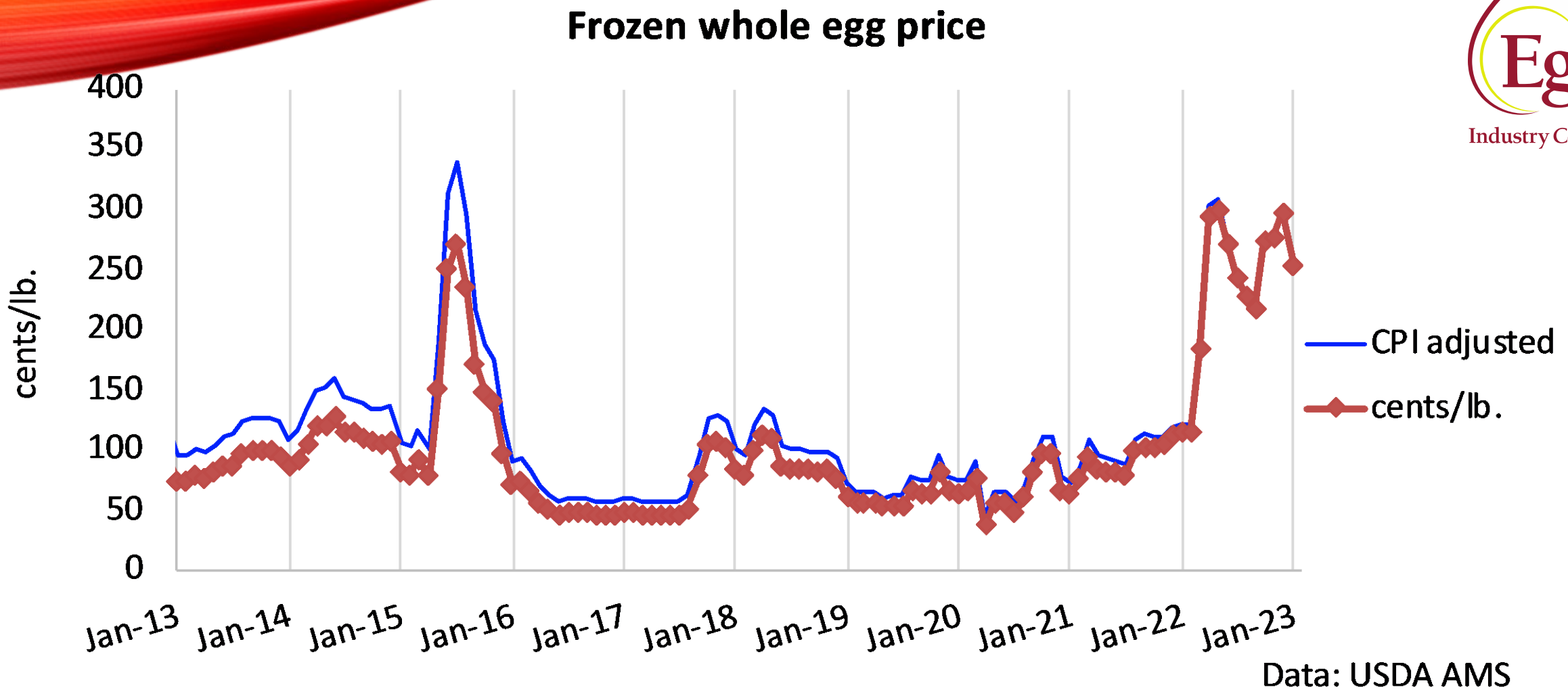

Price was: 162% higher than in 2021

57% higher than in 2015, still 27% higher when adjusted by inflation

LOSSES PARTIALLY OFFSET BY HIGHER PRODUCTIVITY AND LESS EXPORTS

- Average number of table laying hens in 2022 was 14.7 million lower than in 2021

It was partially compensated by:

- Reduction in trade balance, which represented the production of 6.7 million laying hens
- Increase in production per hen, which represented the production of 4.5 million laying hens at 2021 level.

Current Indemnity - Layers

Layer 1st lay (18-45 weeks)	5.74
Layer 2nd lay (46-65 weeks)	2.87
Pre-spent hen (66-85 weeks)	1.44
Spent hen (86 weeks or more)	0.01

Table eggs ($/dozen)	0.73
Chick (0-1 week)	0.28
Pullet (2-17 weeks)	3.11

Source: United Egg Producers

There are no specialty rates for organic or cage free.

Virus elimination (VE) is now based on cubic volume (not per bird):

- for table egg laying bird barns is $3.00 per cubic yard
- for table egg storage and processing facilities is $0.40 per cubic yard

FINAL NOTE

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Some examples of improvements from 2015:

- Vast majority of cases are point source introductions
- Average days from confirmation to release control area: 52 (for egg farms). It was 67 days in 2015.
- Media articles report approximately 25% reduction in USDA spending even though number of birds affected is almost 21% higher than in 2015.

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