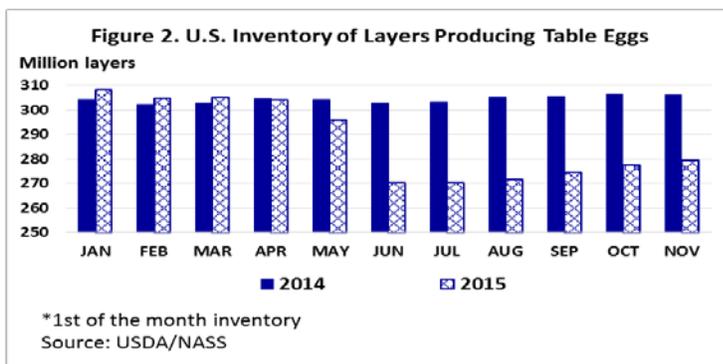
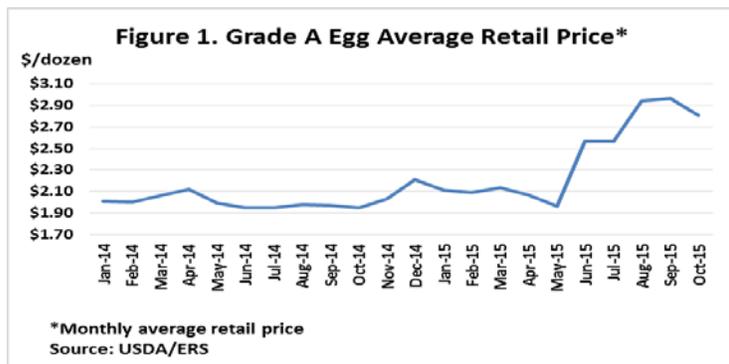
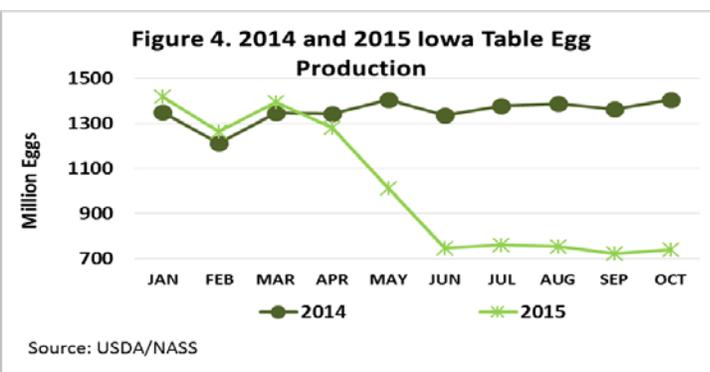
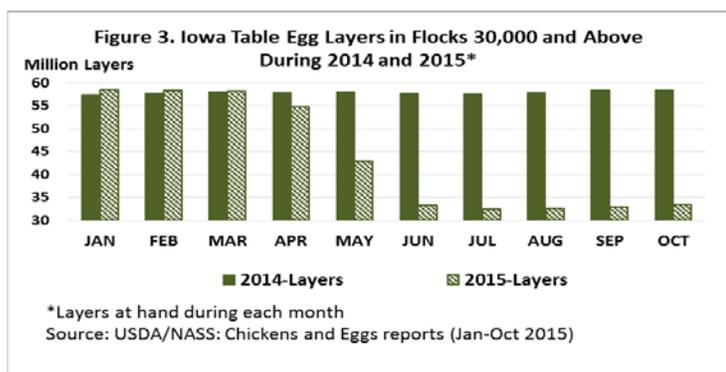


Retail Egg Prices (11/25/2015)

Even though the average retail grade A egg price in October 2015 was 43% higher than the price on May 2015 (\$1.96/dozen), the latest USDA/ERS retail egg price data indicate that the egg average price during October 2015 declined 5.3% to \$2.81/dozen relative to the previous month record high (\$2.97/dozen). Egg prices substantially increased this year (see Figure 1) as a result of the severe Highly Pathogenic Avian Influenza (HPAI) outbreak. Overall 46.6 million layer chickens were lost during the outbreak. Figure 2 shows the drastic decline in the inventory of U.S. layer producing table eggs. May 1, 2015 inventory of U.S. layers producing table eggs dropped 2.7% to 296 million layers compared to the previous month. Moreover, June 1, 2015 inventory further declined to 270.2 million layers. Layer numbers started to rebound from the low levels in June, reaching an inventory of 279.5 million head on November 1, 2015, representing a 3.5% increase relative to the inventory in June, however inventory of layers on November 1 was down 8.7% year-over-year (306.2 million head).



Iowa, the largest table egg producer in the country, was severely impacted by the HPAI outbreak. The number of table egg layers in the state reached the lowest level during the month of July 2015, declining 44.5% to 32.4 million layers compared to the numbers during the month of January 2015 (58.5 million head). The number of layers in July fell 43.7% relative to the same period in 2014 (57.6 million head) (see Figure 3). The number of table egg layers during October (33.4 million head) was only 0.4% above the numbers during June (33.2 million head). Iowa's table egg production during October 2015 (739 million eggs) was down 47.4% year-over-year (1,406 million eggs). Overall, Iowa's table egg production from January to October 2015 (10.1 billion eggs) was down 25.5% compared to the same period last year (13.5 billion eggs) (see Figure 4). On November 5, 2015, Iowa Department of Agriculture and Land Stewardship (IDALS) and USDA announced that all of the 72 Iowa commercial poultry farms affected by HPAI had the quarantines on their facilities lifted and were eligible to restock birds.



The U.S. poultry industry still have a long way to go to repopulate the number of birds lost during the HPAI outbreak. According to the USDA's Fall 2015 HPAI Preparedness and Response Plan report (September 2015), the plan for preventing and responding to any upcoming HPAI case in cooperation with industry and state partners, include among others, disseminating improved on-farm biosecurity measurements to minimize the occurrence of HPAI cases as much as possible; enhancing HPAI surveillance in wild birds so that early warning risk information is disseminated to states and industry; and enhancing abilities to quickly detect HPAI in the U.S. poultry and the subsequent flock depopulation in the case of any HPAI outbreak occurrence. On November 20, 2015 USDA/Animal and Plant Health Inspection Service (APHIS) indicated that the use of a vaccine to respond to HPAI has not been approved, however, the agency is getting ready to make sure that vaccine is available if a decision is made to use it in case of future outbreaks. This decision has to be based on the consequences of using HPAI vaccine in the field, the effectiveness of the vaccine, and evaluation of possible impact on trade.