

## Feed Cost Indices for Laying Hens

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This article discusses recent trends in feed costs for laying hens. A ration consisting of corn, soybean meal, dry distillers' grain, soybean oil, and supplements was used to create the feed cost indices. Corn prices represent averages for Indiana as reported by USDA-NASS. Soybean meal and distillers' grain prices were obtained from *Feed Outlook*, published monthly by USDA-ERS. Information from *Agricultural Prices*, a monthly USDA-NASS publication, was used to compute soybean oil and supplement prices. Future prices for corn and soybean meal are used to project feed indices through 2018.

Figures 1 and 2 report monthly corn and soybean meal prices from January 2000 to May 2017. A distinction is made for prices before and after 2007. The period starting in 2007 is often thought to be a new price regime. Corn price averaged \$2.18 per bushel from 2000 to 2006, and \$4.72 per bushel from 2007 to the current month. Soybean meal price averaged \$187 per ton from 2000 to 2006, and \$359 per ton from 2007 to the current month. Note that corn price and soybean meal prices are currently below their average prices since 2007.

Figure 3 presents monthly feed cost indices for laying hens from January 2000 to May 2017. The latest full year of indices, 2016, has an index of 100 so all indices outside of this year are expressed in relative terms. As with corn and soybean meal prices, a distinction is made for feed cost indices before and after 2007. The average index from 2000 to 2006 was approximately 58 while the average index since the beginning of 2007 was approximately 115. The index for May 2017 was 95 so current feed costs are 5 percent lower than the average for 2016.

Annual feed cost indices for laying hens are presented in figure 4. The projections for 2017 and 2018 (red bars) used corn and soybean meal futures prices in mid-June. The projected feed cost indices for 2017 and 2018 are 98 and 102, respectively. This suggests that feed costs through 2018 are expected to be similar to those experienced in 2015. Of course, crop developments this summer could impact these estimates.

This article discussed recent trends in feed costs for laying hens. Current projections suggest that feed costs will remain similar to current levels through 2018. Information related to feed costs for other livestock species can be found on the web site for the Center for Commercial Agriculture.







