

COMMENTARY ON THE MARCH 2019 UPDATE OF THE GB POULTRY VALUATION TABLES

Poultry valuation tables are reviewed and updated on a quarterly basis. This helps to ensure that they are appropriate for the sector as a whole and that they reflect current costs for different types of birds and different production systems. It is accepted that there can be rapid fluctuations in the cost of compound feed and other key input items, hence the need for regular reviews. Periodically, a more detailed review is undertaken for a specific sector to ensure that the assumptions made remain appropriate.

Numerous different sources are used to gather data on current costs. These include published information as well as intelligence provided confidentially by a range of different industry stakeholders, such as feed compounders, breed companies, suppliers of fuels and other materials and poultry producers. Where possible for each cost item, information is gathered from a range of different sources, so that overall sector trends can be established.

Trends in raw material feed prices have been monitored over the quarter from December 2018 to March 2019. Feed wheat prices have steadily decreased from around £171 per tonne at the end of December, to around £157 per tonne by mid-March (Farmers Weekly, 15th March). This represents almost a 9% reduction in wheat prices over the quarter. Over the same period, soya prices have also decreased from around £321 to £293 per tonne representing just over a 9% reduction in soya prices over the quarter.

Compounders have reported feed price changes in both directions over the quarter. In the broiler sector feed prices have decreased on average by around 1%. Feed prices for the laying hen sector have decreased by around 3%, although some small increases have been seen for pullet feed. For the turkey sector however feed prices have on average increased by 3%. For organic production, compounders have reported feed price increases between 2 and 5% across the different species and the tables have been adjusted accordingly.

Laying hen pullet rearers have reported some reductions in pullet prices over the quarter which has resulted in a small reduction in the average price. For organic laying hen pullets the average price has increased by a comparable amount reflecting the higher feed prices. Turkey poult prices have also increased to reflect the current higher production costs and there have been some changes reported day old broiler chick prices which have been incorporated into the tables.

The price of LPG has decreased by around 20% since December and this will result in lower production costs for many. Litter prices have remained relatively stable whilst vehicle fuel costs have been reduced by 3% based on fuel price changes. Labour costs have been increased to keep in line with changes to national living wage which will increase 4.9% from April 1st.

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