

# Oversupply does not stop yo

**Egg producers in Thailand have hatched a plan to deal with the oversupply of eggs. They have agreed to reduce production after facing a huge loss throughout 2006. However, it did not stop Jatuporn Lounnetngern, a novice in layer farming, dreaming about expanding her business.**

By Wiebe van der Sluis

**T**he egg market in Thailand is suffering from dramatic oversupply. Narong Jiemjaibunjong, president of the Association of Hen-Egg Farmers, Traders and Exporters, said that farmers, big and small, faced a loss in 2006 due to an oversupply of several million eggs per day. Farmers were forced to sell their eggs at an average of Baht 1.70 (€0.036) each against the production cost of between Bt1.95 (€0.042) and Bt2.00 (€0.043).

Jiemjaibunjong believes that reducing the production of eggs will bring about balance, especially in the domestic market. It will also maintain the stability of egg prices, which will help egg farmers to work profitably in the long term, as well as have a positive influence on the industry. New guidelines consisting of three stages have been drawn up to combat the surplus.

The preliminary stage aims at reducing the amount of imported stock to correspond with market demand, which is currently estimated at 25 million eggs a day or 140 eggs per capita per year. This can be done through the Livestock Department's management of chicken stocks, capable of tracing and monitoring the number of hens and keeping detailed information about them. As part of the guidelines, a medium-term plan has also been devised involving the reduction of chick numbers by removing fertilised eggs from incubators. Lastly, an immediate



**The battery system, with six hens per cage, has been made locally.**

plan involves retiring old hens, thereby allowing a lower egg supply.

### Confident newcomer

Jatuporn Lounnetngern, a graduate in food science and egg producer at the Supatra Farm, is not worried about the current market situation. She believes that her cost of production is below average and that the efficiency of her birds is going to be very good. Lounnetngern is a novice in egg production and, together with her sister and parents, runs a newly built layer farm near Chiangmai, North Thailand, housing 9990 Hisex brown 21 week old layers, collecting over 2,000 eggs per day. She has the support of the Cooperative of Layer Farmers of Chiangmai-Lampoon. They provide the feed, veterinary and technical service and support



**Feed is delivered to the hens by means of a home-made trolley with hopper and pipes to fill the troughs.**



**Jatuporn Lounnetngern (left) and her parents are running the Supatra farm with 9990 layers.**

in selling eggs. Most of the eggs produced are being sold in the region and can still make a reasonable price.

### High security level

Lounnetngern wants to be a layer farmer. Her father, a teacher at the University of Chiangmai, designed the layer house. The total project – land, layer house and flock – required an investment of Baht 4-6 million (€80-120,000) generated from savings and a bank loan. “There is no governmental support in the form of subsidies or pay-back guaranties,” says Lounnetngern.

The outbreaks in the past have given the knowledge and strong will to set up a farm that protects the birds from rodents and wild birds, as well as from unwanted and unauthorised visitors.

Those who want to see the birds or to enter the house have to pass through a disinfection gate and wear protective clothing. The house is closed and is operated by an electronic environment control system. Pad coolers at the end of the house assure a mild in-house climate during the hot months of the year. All equipment is locally made with the exception of the Impex nipples in the locally made sockets.

### Creating bargaining power

All eggs from Supatra Farm are collected three times per day and shipped once a day to the nearby Layer Farmers Cooperative of the Chiangmai-Lampoon

# ung entrepreneur dreaming



*The Cooperative collects grains from farmers or buys it at the market to mix and mill it for its members.*



*The eggs are collected by hand and transferred on a trolley.*

District. The Cooperative was formed some years ago when egg producers were facing a price crisis; the producers made huge losses while the traders did not. This stimulated the idea of working more closely together in order to create bargaining power on hen egg prices and products and to reduce the chance of the farmers being taken advantage of on egg price and products. In addition, the Cooperative would support members in the business in selling and buying products and services.

After the first year, the cooperative had 69 members, increasing to 87 in 2003 and, due to the AI crisis, down to 68 today. These members have 400,000 layers in total and market their eggs through the egg packing station. Eggs are graded and sorted for different

markets. In case of oversupply, as is the case today, eggs are taken from the market and stored in a freezing house till a decent price can be received.

During the first two years, the Cooperative made use of an office at the Central Market of Sarapee and later moved to a fruit warehouse, which they left after three years to make use of their own warehouse and office.

### **Believe in the future**

Lounnetngern is an active member of the Cooperative and expects to enjoy major advantages. The bargaining power and the ability to take eggs off the market and placing them in a cold warehouse will help the member layer farmers to stay in business. It is her intention to be as efficient as one can

be by producing the best quality products on the market. Northern Thailand is, in that respect, a promising region offering a mild climate and a growing consumer market.

The size of her operation is relatively small, but the intention is to grow to a point where enough income can be generated for the whole family. The site allows for further expansion and plans will be made when the time is right. Lounnetngern understands that there is still a lot to learn about flock management, feeding, health and egg handling, but she is confident in future success. ■



*Everyday, members of the Cooperative deliver eggs to the warehouse where they are graded and shipped for marketing.*



*All eggs delivered pass over the three Moba manual graders.*