

USDA Egg Markets Overview

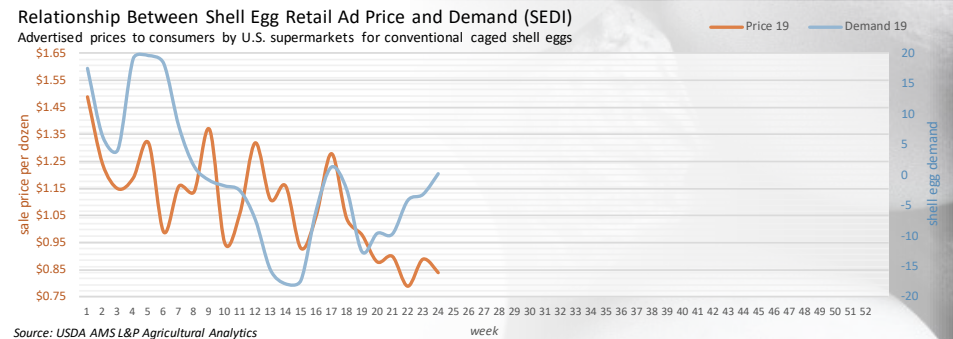
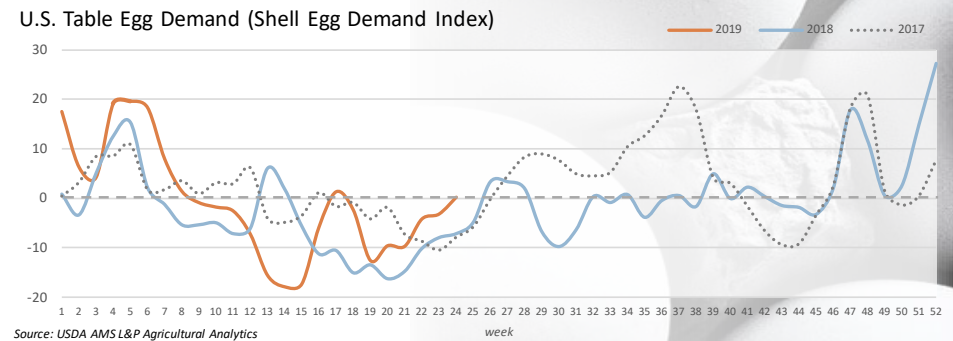
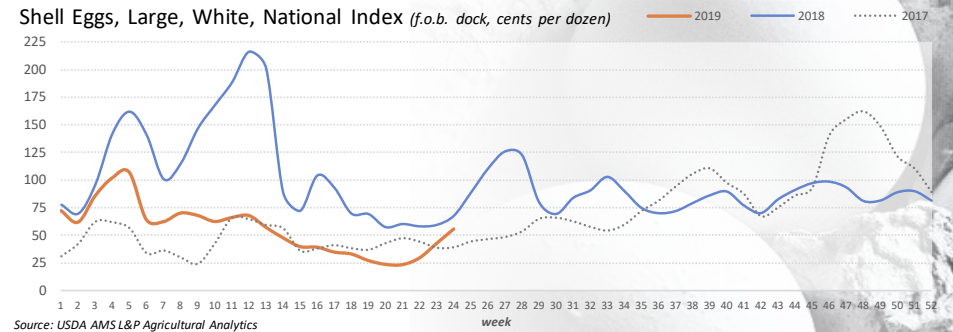
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June 14, 2019

Wholesale prices for shell eggs advanced through the week with the pace of increase increasing as the week progressed. Offerings are mostly light and supplies are moderate for current business needs. Trading is moderate. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs continued to increase rapidly, up 30% (from \$0.427 to \$0.557 per dozen). The wholesale price on the bellwether New York market for Large shell eggs delivered to retailers advanced 22% (from \$0.69 to \$0.84 per dozen) and the undertone heading into next week is steady to firm. The Midwest wholesale price for Large, white, shell eggs delivered to retailers rose 17% (from \$0.42 to \$0.49 per dozen) with a firm to higher undertone into next week. The California benchmark for Large shell eggs increased 22% (from \$0.97 to \$1.18 per dozen) but the undertone into next week is mostly steady. Consumer demand for shell eggs improved as retailers continue to pass along savings from recent low wholesale prices. Stocks of Large class shell eggs traditionally begin to decline as a share of total inventory as younger replacements are slowly worked into the productive flocks into mid-summer. The share of Large shell eggs has declined 5% over the past few weeks. Retail purchasing levels into next week indicate increasing promotional activity at retail outlets.

Supermarket feature activity for conventional shell eggs continues to wind down following the active pace over the past two cycles. The average ad price decreased 6% (from \$0.89 to \$0.84 per dozen). Featuring of specialty shell eggs eases from the past cycle and increases ad share by 3% to 69% of shell egg featuring. This week, offerings are led by cage-free eggs with nutritionally-enhanced types a distant second. Offerings of UEP-defined cage-free shell eggs continue to increase and the average ad price decreases 21% (from \$2.66 to \$2.11 per dozen). The spread between the average ad price for 12-packs of Large conventional shell eggs and those for their cage-free counterparts, at \$1.27 per dozen, narrowed by \$0.50 (28%).

The overall inventory of shell eggs declined 8% while the nation-wide inventory of Large eggs was down 10%. Stocks of Large eggs in the key Midwest production region declined nearly 9% and the inventory share of Large class shell eggs was down another percentage point this week to 46.5% of all shell egg stocks on inventory at the start of the week. As flock replacement efforts pick up, the percentage of Large class eggs on hand declines, typically through mid-July before pullets mature into consistent layers. The share of stocks of ungraded eggs decreased 7% as carton production to support recent retail activity drew down stocks. Breaking stock inventories increased 2% as breakers took advantage of available supplies to replenish their stocks. Total table egg production for the week was unchanged from last week but was down 1% from last year at 6% over last year's level, about 9.1 million dozen.



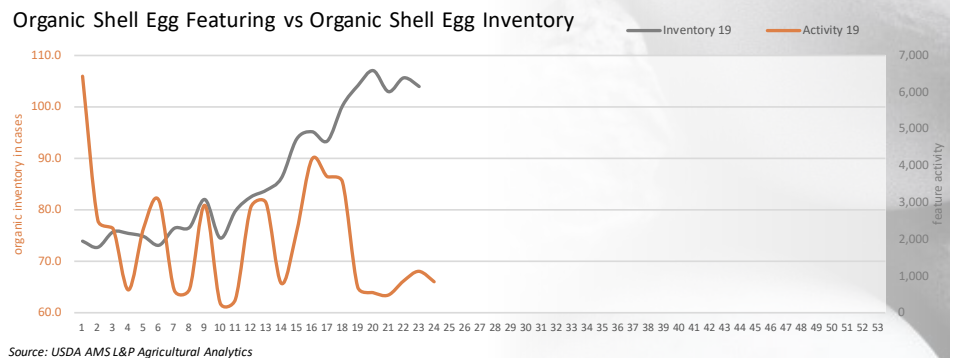
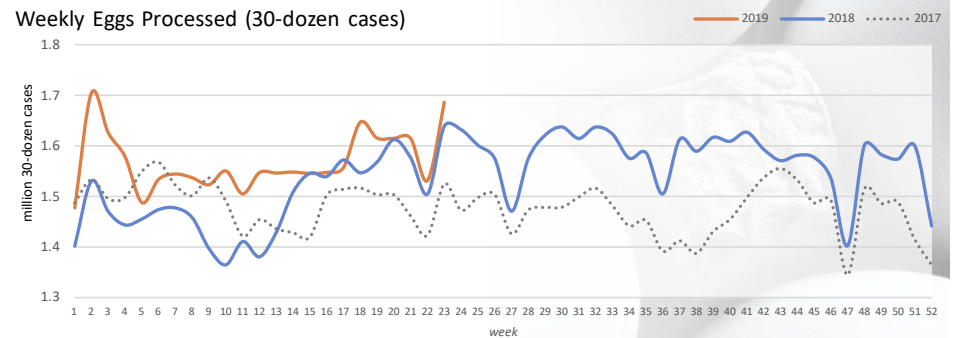
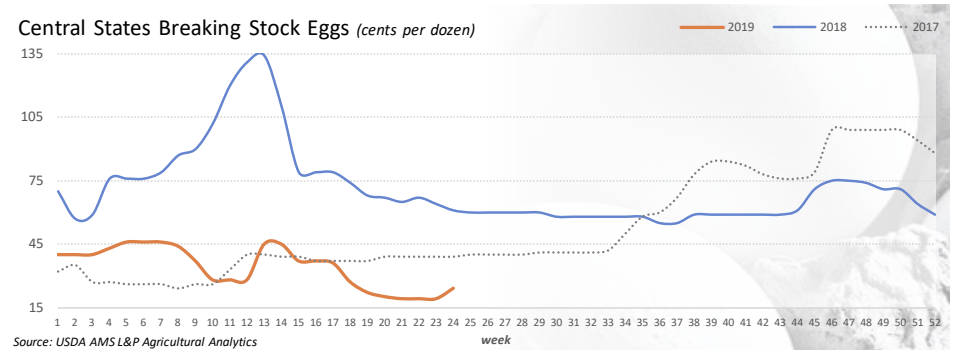
The wholesale price for breaking stock in the Central States increased 26% (from \$0.19 to \$0.24 per dozen) with a firm undertone. Breaker interest is moderate to good as offerings have decreased to limited levels on moderate supplies. The pace of production is mostly full-time and trading is moderate. The volume of eggs processed during the past week increased 10%, representing 33% of weekly table egg production, a 3% increase for from the prior week. Production of whole liquid eggs increased 12% while production of liquid whites and yolks both increased 6%. Only dried egg saw a decline in production, down 3% for the week and below the prior comparable week last year for the first time in 2019.

Wholesale prices for certified liquid whole eggs were untested this week with a generally steady undertone. Offerings are light while demand is moderate. Trading is moderate. Wholesale prices for frozen whole egg products declined 4% (from \$0.55 to \$0.53 per pound) while prices for liquid white were steady at \$0.64 per pound. The undertone is steady to lower. Demand is moderate for moderate offerings and mixed supplies. The pace of trading is moderate. Wholesale prices for dried eggs are unchanged with those for whole dried egg at \$2.15 per pound, dried yolk prices at \$2.10 per pound, and dried albumen prices at \$4.80 per pound. The undertone is steady. Demand is mostly moderate, offerings are moderate, and supplies are variable. The pace of trading is moderate.

The monthly inventory of total dried egg products at the end of April increased 1% from March to a level 44% above the level of April 2018. Stocks of whole dried eggs decreased 2% during the month, 92% above 2018, while stocks of whites were down 4% but 23% above April 2018. Stocks of dried yolk increased 7%, 25% above 2018 levels, while stocks of blends rose 29% to a level 10% above April 2018 levels.

According to NASS, the April monthly volume of frozen eggs in storage decreased 4% from March, 30% above the level at the end of April 2018. Stocks of whole frozen egg declined 5% for the month but is 39% above last year and comprises 49% of stocks. Frozen yolk stocks (2% of all tocks) eased 2% from last month's sharp rise and is even with last year. Frozen white volume in storage increased 8% for the month and is 27% over the April 2018 level. Stocks of unclassified eggs (41% of cold storage stocks) decreased 5% for the month but were up 23% over 2018.

Cage-free commitments as of June 1 require 63 billion cage-free eggs per year to meet 100% of needs, requiring a cage-free flock of 224 million hens (66% of the U.S. non-organic flock), indicating a shortage of 170 million hens from the current non-organic cage-free flock of nearly 54 million hens.



Key Egg Markets Overview

	Recent History						
	14-Jun	% Change	7-Jun	31-May	24-May	17-May	10-May
SHELL EGGS (cents per dozen)							
National, Large, White (f.o.b. dock prices)	55.69	30%	42.72	29.67	23.55	23.76	27.20
New York, Large, White, (price to retailers)	84.00	22%	69.00	58.00	58.00	58.00	61.00
Midwest, Large, White (price dlvr'd to warehouse)	49.00	17%	42.00	42.00	42.00	45.00	49.00
California, Large, benchmark	118.00	22%	97.00	89.00	89.00	94.00	103.00
National Retail Shell Egg (dollars per dozen)							
Conventional, Large, White	0.84	-6%	0.89	0.79	0.90	0.88	0.98
Cage-Free, Large, Brown/White	2.11	-21%	2.66	2.77	2.71	2.18	2.55
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (delivered prices)	24.00	26%	19.00	19.00	19.00	20.00	22.00
Whole Frozen Eggs	53.00	-4%	55.00	55.00	55.00	55.00	55.00
Whole Dried Eggs	2.15	0%	2.15	2.10	2.10	2.25	2.35
SHELL EGG DEMAND INDICATOR (no units)	0.2	3.4	-3.2	-4.2	-9.7	-9.6	-12.6

Source: USDA AMS Agricultural Analytics

Key Shell Egg Markets Snapshot - 2019

(Large, White, Conventional Shell Eggs in cents per dozen)	14-Jun	Change	07-Jun	2019 Peak		2019 Low	
National, Large, White (f.o.b. dock prices)	55.7	▲ 30%	42.7	109.5	29-Jan	22.0	22-May
Daily New York Eggs (delivered store door)	84.0	▲ 22%	69.0	137.0	30-Jan	58.0	15-May
Midwest Regional (delivered warehouse) ¹	49.0	▲ 17%	42.0	124.0	04-Feb	42.0	20-May
California Benchmark	118.0	▲ 22%	97.0	201.0	02-Jan	89.0	20-May
Central States Breaking Stock (delivered prices) ¹	24.0	▲ 26%	90.0	46.0	29-Jan	19.0	22-May
Whole Frozen Egg Products (f.o.b. dock prices)	53.0	▼ -4%	55.0	75.0	04-Jan	53.0	14-Jun
Whole Dried Egg Products (f.o.b. dock prices)	2.15	■ 0%	2.15	2.90	04-Jan	2.10	24-May
Natl Average Retail Ad Price - Conventional	0.84	▼ -99%	89.0	1.49	04-Jan	0.79	31-May
Natl Average Retail Ad Price - Cage-free ²	2.11	▼ -21%	2.66	2.99	12-Apr	2.11	14-Jun
Shell Egg Demand Indicator	0.2	▲ 3.4	-3.2	19.6	30-Jan	-17.9	03-Apr

¹ mostly high; ² non-organic