

# USDA Egg Markets Overview

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Wholesale shell egg prices continued to move higher through the week, driven by a combination of renewed retail demand and reduced availability of heavier-weight eggs. Offerings are light while supplies are light to moderate and demand is moderate to fairly good. The pace of trading is moderate to active. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs increased 31 percent (from \$0.677 to \$0.886 per dozen). The wholesale price on the bellwether New York market for Large shell eggs delivered to retailers posted daily advances to finish the week up 18 percent (from \$1.11 to \$1.31 per dozen). The market undertone remains steady to higher. The Midwest wholesale price for Large, white, shell eggs delivered to retailers increased 16 percent (from \$0.79 to \$0.92 per dozen) and the California benchmark for Large shell eggs rose 13 percent (from \$1.43 to \$1.61 per dozen). Both markets have a higher undertone, especially for larger-sized eggs, heading into next week. Consumer demand for shell eggs is finally showing some life as grocers move to take advantage of recent low wholesale prices to promote shell eggs ahead of the July 4th holiday when their attention will shift to backyard grilling.

Supermarket feature activity for conventional shell eggs rises to its most active level of the year to date. Retailers are taking advantage of recent lows in wholesale prices to feature shell eggs ahead of the July 4<sup>th</sup> holiday when consumer focus will shift to backyard grilling items. The average ad price rises sharply, gaining 17 percent (from \$1.09 to \$1.27 per dozen). Featuring of specialty shell eggs declines to just over 60 percent of ad share with cage-free offerings continuing to lead all types. Offerings of [UEP-defined](#) cage-free eggs decline slightly from last week's active pace yet account for 36 percent of total shell egg featuring this week. The average ad price for Large cage-free decreased 9 percent (from \$2.82 to \$2.57 per dozen). The spread between 12-packs of Large conventional shell eggs and their cage-free counterparts, at \$1.30 per dozen this week, closes by 25 percent.

The overall inventory of shell eggs declined 2 percent as did the national inventory of Large eggs. The inventory of Large eggs in the key Midwest production was down nearly one percent. The inventory share of Large caged eggs this week was unchanged at just under 48 percent of stocks on hand. Breaking stock inventories were unchanged as breakers had been taking advantage of available supplies on the spot market prior to a revival in carton business. Stocks of ungraded eggs increased 3 percent and their share of the overall inventory by one percent. Total table egg production for the week was unchanged from the prior week and year.

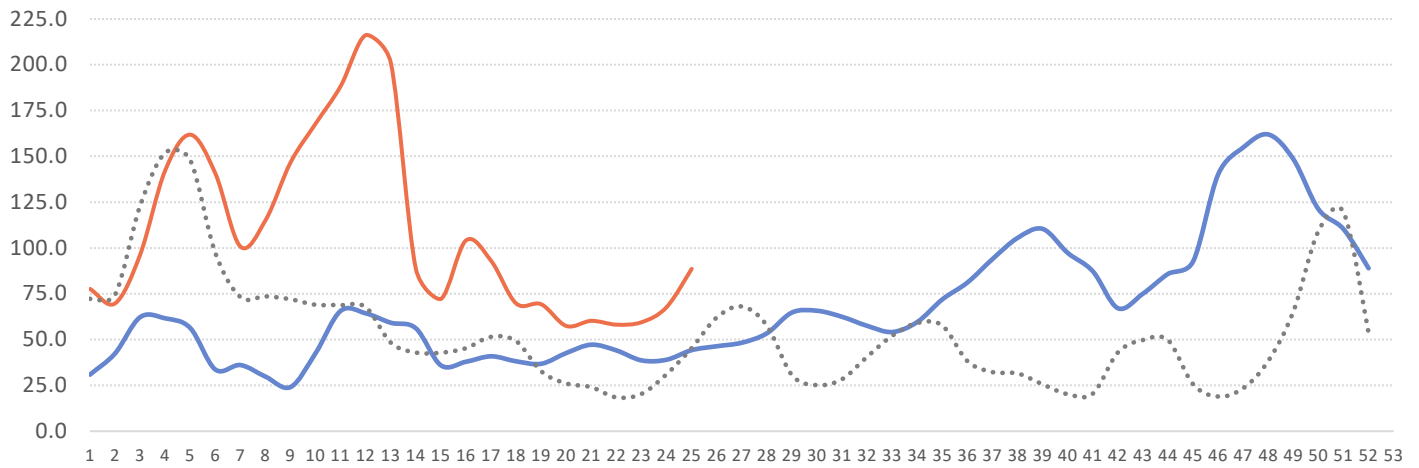
The wholesale price for breaking stock in the Central State decreased 2 percent (from \$0.61 to \$0.60 per dozen) with a firm undertone. Offerings are light to moderate with heavier-weight product in the shortest position. Supplies are moderate, schedules are full-time. Demand is fairly good and the pace of trading is moderate. The volume of eggs processed this past week was unchanged as was the share of eggs broken of weekly table egg production at nearly 35 percent. Production of whole egg declined 2 percent but production of white rose 2 percent and yolk production was up 6 percent.

Prices for whole liquid egg products are not tested this week and remain unchanged at \$0.61 per pound. Demand is light to moderate with moderate offerings. Wholesale prices for frozen egg products declined with whole frozen eggs down 3 percent (from \$0.90 to \$0.87 per pound) while frozen whites declined 8 percent (from \$1.00 to \$0.93 per pound). Demand is moderate for whole egg, good for whites. Offerings and supplies are light. The pace of trading is moderate to active. Wholesale prices for dried eggs were mixed with whole dried egg unchanged at \$3.35 per pound. Dried albumen declined one percent (from \$6.55 to \$6.50 per pound) while dried yolk prices increased 5 percent (from \$3.20 to \$3.35 per pound). Demand is good for albumen. Moderate to fairly good on the balance. Offerings are light to moderate while supplies are very light, occasionally moderate. The pace of trading is moderate to active.

The monthly inventory of total dried egg products continues to be drawn down, declining 7 percent in May, 58 percent below May 2017. Stocks of whole dried eggs increased 2 percent from April but stocks of whites were down 4 percent and those for yolks declined 13 percent. Stocks of dried blends were down 33 percent.

Cage-free commitments stand at 230 companies across 7 egg-consuming sectors. This companies will require 63 billion cage-free eggs per year to fully realize their 100% cage-free commitments. This will require a cage-free flock of over 225 million hens (70% of the U.S. non-organic flock), indicating a shortage of 185 million hens from the current non-organic cage-free flock of just over 40 million hens.

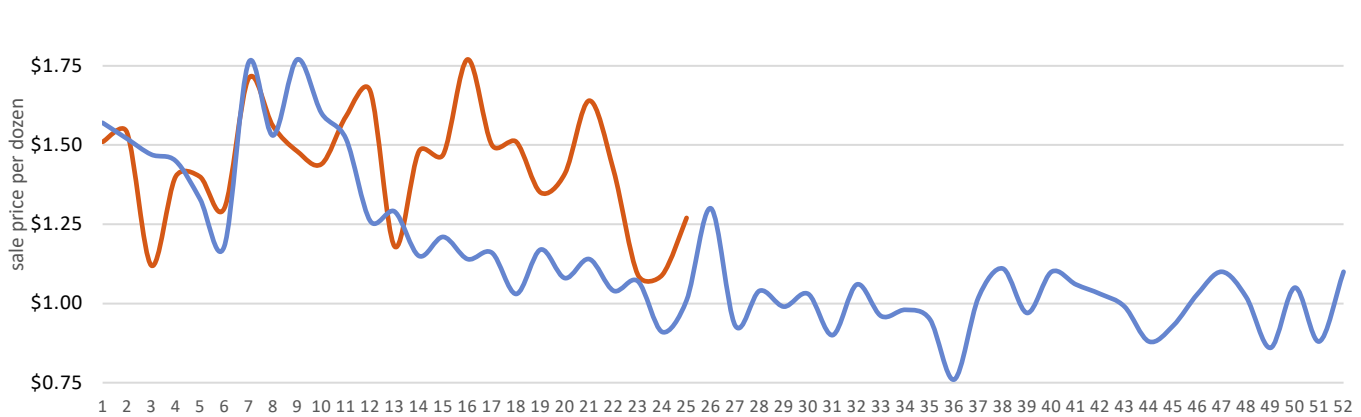
Shell Eggs, Large, White, National Index (f.o.b. dock, cents per dozen) 2018 2017 2016



Source: USDA AMS Agricultural Analytics

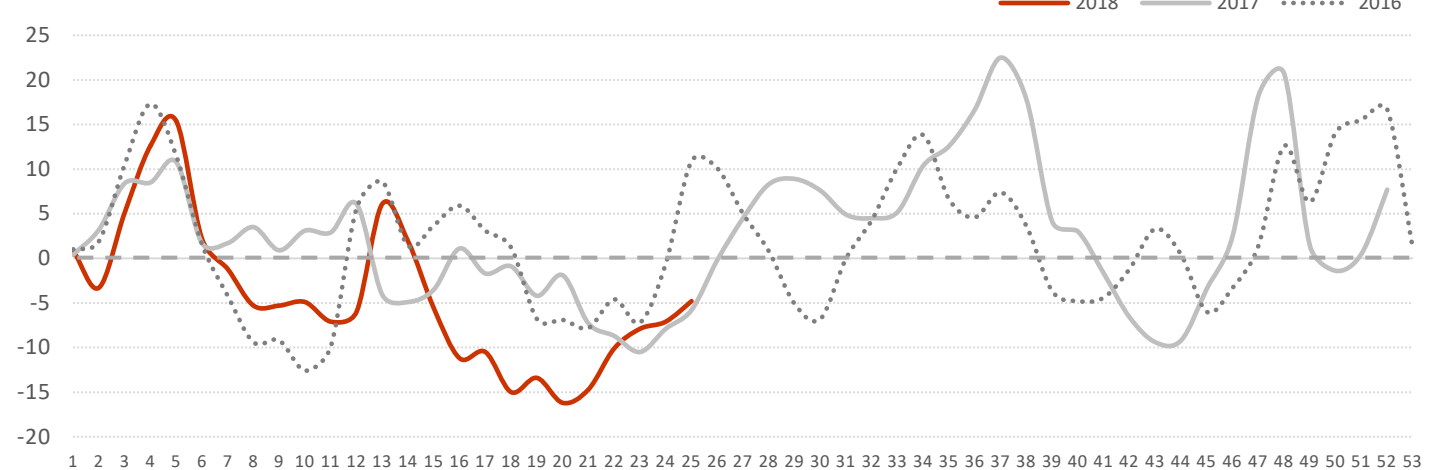
Supermarket Shell Egg Featuring - Large White Shell Egg Ad Price Price 18 Price 17

Advertised prices to consumers by U.S. supermarkets for conventional caged shell eggs \$2.00



Source: USDA AMS Agricultural Analytics

U.S. Table Egg Demand (Shell Egg Demand Index) 2018 2017 2016



Source: USDA AMS Agricultural Analytics