



Egg Markets Overview

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Wholesale prices for shell eggs are weak to lower with a more than adequate supply of larger sizes. Offerings and supplies are moderate to heavy while demand is light to instances moderate. Trading is slow to moderate. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs declined nineteen percent (from \$0.315 to \$0.256 per dozen). The Midwest wholesale price for Large, white, shell eggs delivered to retailers was unchanged at \$0.72 to \$0.55 per dozen as was the benchmark price for Large shell eggs in California at \$1.16 per dozen. The wholesale price on the bellwether New York market for Large shell eggs delivered to retailers inched lower through the week and ended up nine percent lower (from \$0.67 to \$0.61 per dozen) as supplies continue to exceed demand, particularly supplies of larger sized eggs. The shell egg demand indicator declined to below average levels for the first time since early August. Compared to that period, weekly table egg production is one percent higher while the inventory of Large eggs has grown by twenty-four percent.

The overall inventory of shell eggs grew by just over six percent and the overall inventory of Large eggs increased eleven percent. The inventory of Large eggs in the key Midwest production region was up nearly twenty-six percent. Breaking stock inventories increased nearly eight percent while the inventory of Large specialty shell eggs rose one percent.

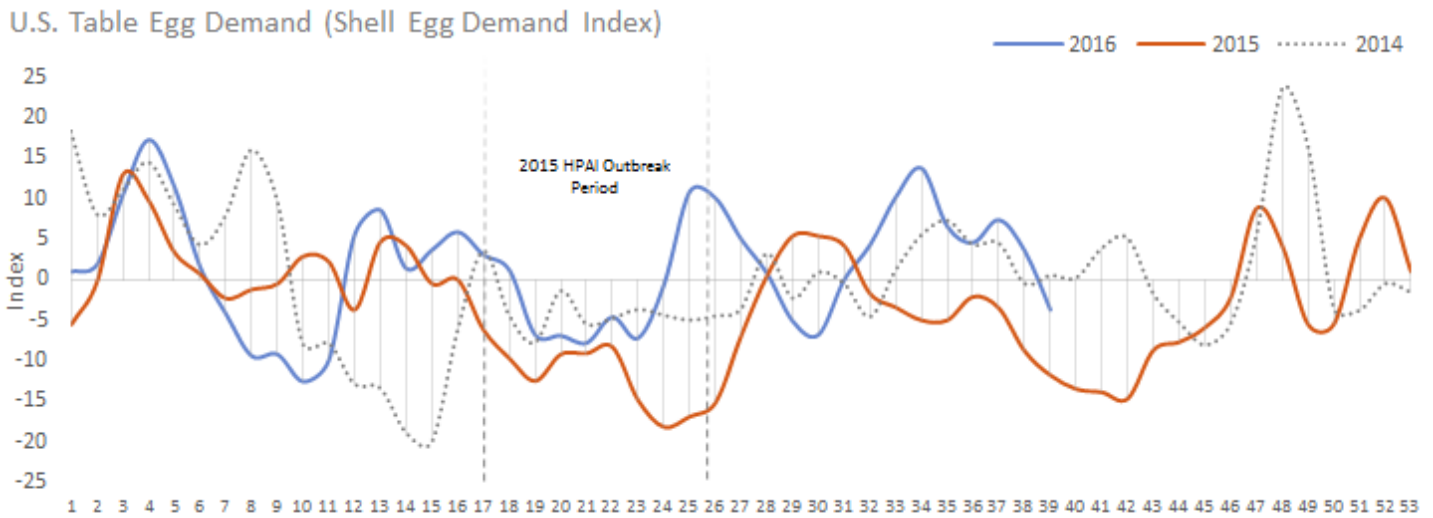
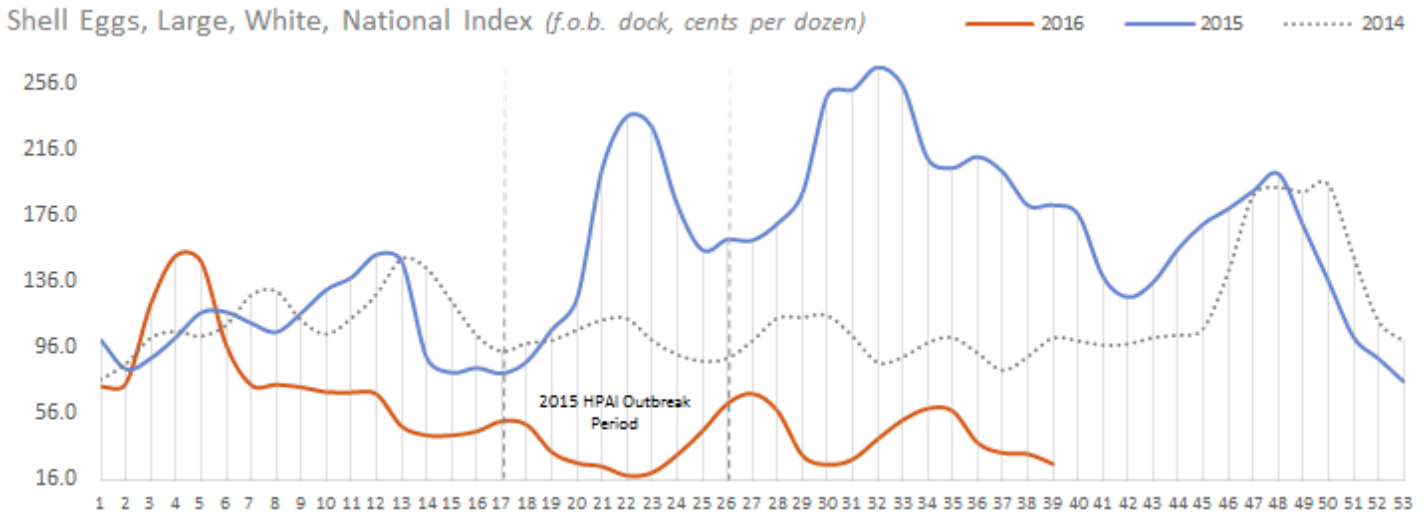
The pace of supermarket featuring of Large white conventional shell eggs increases as the ad cycle advances. The average ad price falls thirteen percent (from \$1.11 to \$0.97 per dozen). Featuring of specialty shell eggs fall declines from the active pace of the last cycle. Cage-free offerings drop sharply and account for less than fourteen percent of shell egg features. The average ad price for Large cage-free eggs rebounds from last week's decline, gaining fifteen percent (from \$2.61 to \$3.00 per dozen). The spread between 12-packs of Large conventional shell eggs and their cage-free counterparts, at \$2.03 per dozen this week, increases by thirty-five percent (\$0.53 per dozen).

Wholesale prices for breaking stock in the Central State declined twelve percent (from \$0.25 to \$0.22 per dozen). Trade sentiment remains lower on mostly light demand for heavy offerings and moderate to heavy supplies. Trading is slow to moderate and schedules are full-time. The volume of eggs processed this past week rose one percent, representing over thirty-four percent of weekly table egg production. Production of whole egg and egg whites were unchanged from the prior week but yolk production increased seven percent, reflecting increased interest for yolk products.

Wholesale prices for liquid eggs continue to trade in quantities too few to report with a steady undertone. Demand is best for yolk but is only light to moderate. Offerings are moderate to fully adequate for current needs. Trading is slow to moderate. Wholesale prices for frozen eggs continue steady with both whole and whites unchanged at \$0.50 per pound. Offerings are moderate for whole egg but increasing for whites to, at times, heavy levels. Demand is mostly moderate for moderate to fully adequate supplies. Wholesale prices for whole dried eggs are steady at \$1.60 per pound and dried yolk is unchanged at \$1.90 per pound. Prices for dried whites decline four percent (from \$2.75 to \$2.65 per pound) and remain under downward pressure. Offerings are mostly moderate on mixed supplies. Demand is moderate on whole and blends, light for whites, and fairly good for yolk. Trading is slow to moderate.

The monthly inventory of total dried egg products for August increased thirteen percent. Stocks of whole dried eggs increased seventeen percent while stocks of whites rose twenty-four percent. Stocks of whole dried yolk decreased by four percent while stocks of blended eggs increased thirty-eight percent.

Data on cage-free commitments were updated this week. To date, the 83 grocery chains, 50 restaurants, 16 foodservice providers, 10 hospitality and travel firms, 13 food manufacturers, 8 convenience/drug chains, and 2 dollar variety stores who have committed to cage-free to date will require 58 billion cage-free eggs per year to meet current and future demand. This will require a cage-free flock of 214 million hens (74% of the U.S. non-organic flock), indicating a shortage of 197 million from the current cage-free flock.



Projected Expansion of Cage-Free Relative to Current Commitments

