

USDA Egg Markets Overview

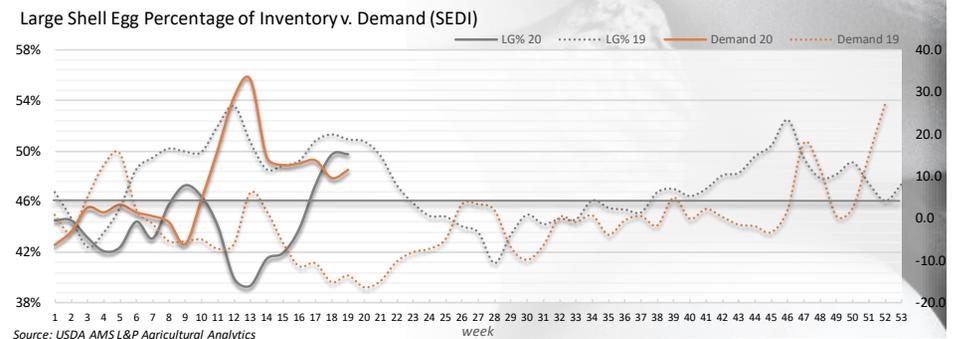
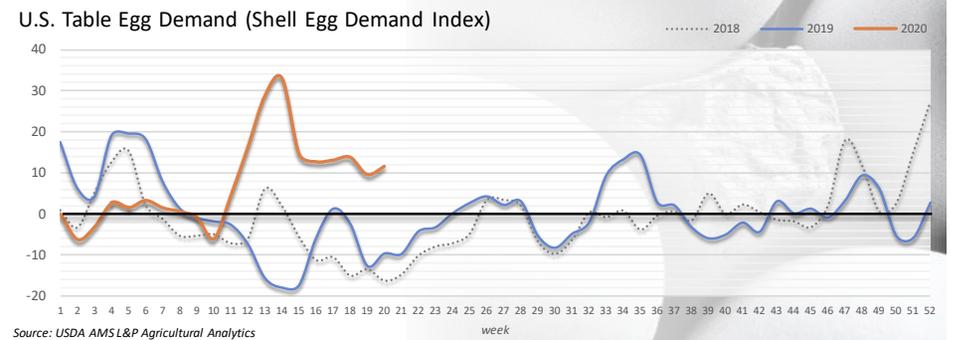
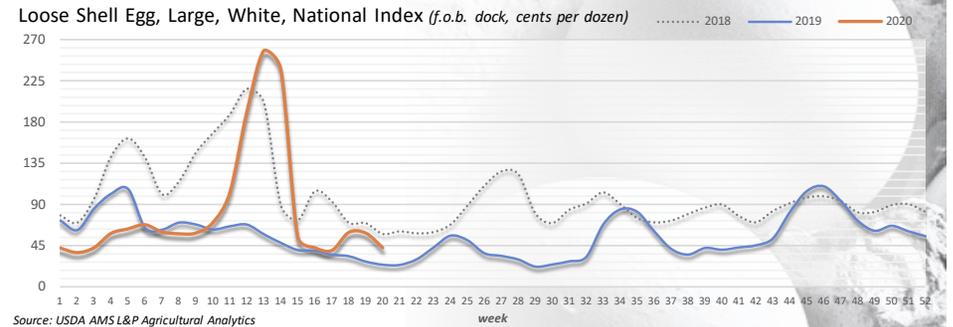
A weekly publication of the USDA AMS Livestock and Poultry Program, Agricultural Analytics Division

May 15, 2020

Wholesale prices for shell eggs moved lower through the week with a prevailing weak undertone noted. Retail business remains good and foodservice business has begun to recover as states begin reopening for business across the country. However, supplies and offerings have increased to moderate to heavy levels which is pressuring prices lower. The pace of trading is slow to moderate. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs declined 27% (from \$0.588 to \$0.427 per dozen) with a weak undertone noted. The wholesale price on the bellwether New York market for Large cartoned shell eggs delivered to retailers declined 10% (from \$1.03 to \$0.93 per dozen) with a barely steady undertone. The Midwest wholesale price for Large, white, shell eggs delivered to retailers declined 2% (from \$0.91 to \$0.89 per dozen) and the California benchmark for Large shell eggs declined one percent (from \$1.63 to \$1.61 per dozen). Both markets have a weak undertone prevailing into next week. Consumer demand for cartoned eggs continues at an above average level even as many grocers have been able to maintain a supply sufficient to keep shelves stocked. Nagging concern over reported limits on meat purchases in some locations in the country have helped to support egg demand as an available protein. Foodservice demand has begun to revive as more businesses begin to open across the nation but interest is outpaced by supply. Retail purchasing of cartoned eggs will increase one percent into next week and were down 12 percent this week.

Supermarket featuring of shell eggs continues to build steam, nearing levels last seen in mid-March as more stores becomes confident enough in their supply chains to offer price incentives. The average ad price drops again this week, down 13% (from \$1.19 to \$1.03 per dozen). Feature activity for specialty eggs remains very limited with most focused again this week on cage-free types. Offerings of [UEP-defined cage-free](#) shell eggs double from last week also to their highest level since mid-March and the average ad price drops 19% (from \$2.79 to \$2.26 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 \$1.23 per dozen, narrows by 23%.

The overall inventory of shell eggs decreased 2% as did the nation-wide inventory of Large eggs. The inventory of Large eggs in the key Midwest production region declined 13% as eggs cleared into retail channels to support continued good consumer demand. The inventory share of Large class shell eggs was unchanged at nearly 50% share of all shell egg stocks on inventory at the start of the week. The share of stocks of ungraded eggs decreased 9% as eggs moved to support retail demand for cartoned use. Breaking stock inventories declined 12% as breakers opted to draw from their own already reduced supplies, made less by flock adjustments and reduced breaking schedules. Total table egg production for the week was just slightly higher than last week just slightly less than last year at 264 thousand dozen.



The wholesale price for breaking stock in the Central States advanced 50% (from \$0.20 to \$0.30 per dozen) with a firm undertone noted. Demand is increasing and is currently moderate to fairly good on light to moderate supplies and mostly light offerings. Schedules remain varied and trading has increased to a moderate pace. The reopening of many states has stirred foodservice business which, coupled with flock adjustments, is helping to alleviate the surplus of stocks that has burdened the market in recent weeks. Breakers have been drawing down their stocks and are now looking to replenish them as business has begun to slowly increase. The volume of eggs processed during the past week was unchanged, representing just under 23% of weekly table egg production. This is its lowest point since December 2015 following the aftereffects of the avian influenza depopulations of the breaking stock layer flocks. Production of whole liquid eggs decreased 3%. Production of whites and yolk increased after last week's sharp decline with whites up 6% and yolk up 9%. Dried egg production declined 15% growing inventories are making drying a less desirable option. This is a 21% decline from the record peak reached two weeks ago.

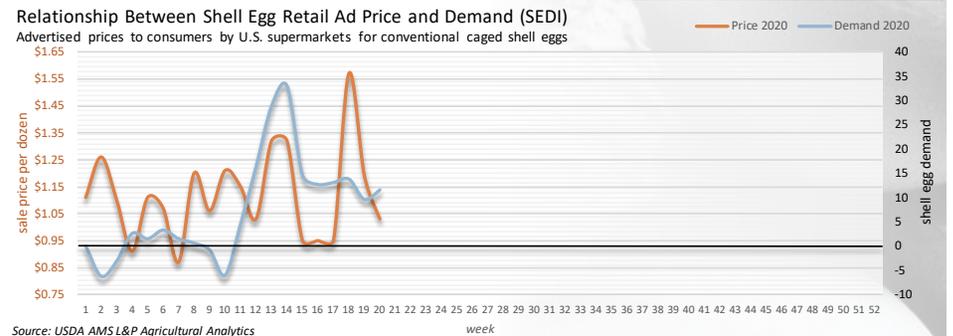
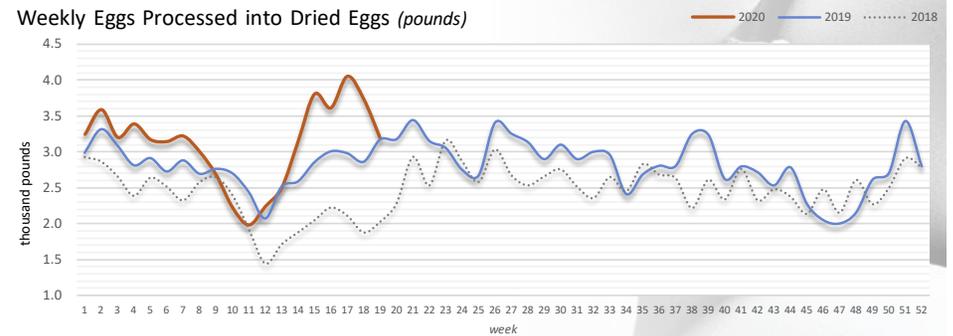
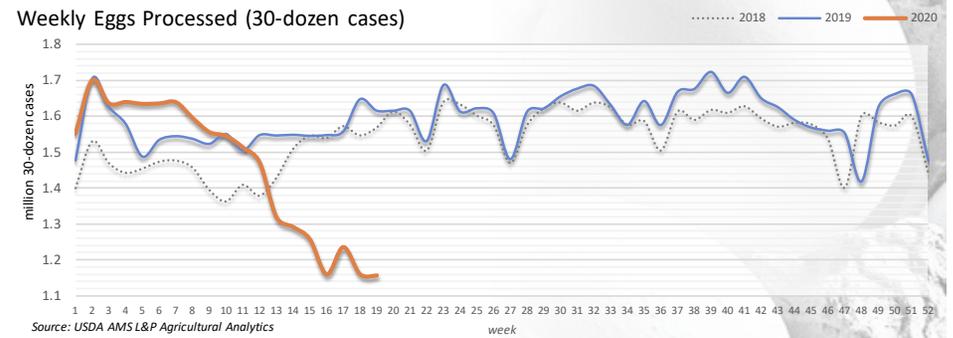
Wholesale prices for whole certified liquid whole eggs moved sharply higher since the last test with a higher undertone. Spot demand is mostly good, best for whole egg. Offerings are light to moderate; trading is active. The wholesale price for frozen whole egg products jumped 19% (from \$0.42 to \$0.50 per pound) while the price for liquid whites was unchanged at \$0.59 per pound. The undertone higher on whole egg, weak on the balance. Offerings are mostly moderate on moderate supplies. Trading is mostly slow on light to moderate interest. Wholesale prices for dried eggs are steady with whole dried egg at \$2.05 per pound, dried yolk at \$2.00 per pound, and prices for dried albumen at \$4.70 per pound. The undertone is steady on light to moderate demand. Offerings are moderate on fully sufficient supplies. Trading is mostly slow to, at times, moderate.

NOTE: The AMS Market News Monthly Dried Egg Inventory Report is unable to be published at this time due to incomplete information resulting from reduced cooperation.

According to NASS, the March monthly volume of frozen eggs in storage increased 3% from February, 5% over March 2019. Stocks of whole frozen egg increased a percent for the month and 3% from a year ago and is down a percent as a share of total stocks (at 48% of all frozen egg stocks). Stocks of frozen yolk rose sharply, up 77% for the month and 34% above the level of a year ago. Frozen white volume in storage decreased 3% for the month, 6% below the level of a year ago. Stocks of unclassified eggs were up 4% for the month and 10% over March 2019, and the share of stocks was 43% of cold storage inventory of frozen eggs.

Cage-free commitments as of April 21 were unchanged, requiring 63.5 billion cage-free eggs per year to meet 100% of needs from an approximate cage-free flock of 221 million hens (67% of the U.S. non-organic flock), indicating a shortage of 153.5 million hens from the current non-organic cage-free flock of 67 million hens. The lay rate for non-organic cage-free production is currently estimated at 79%.

Source: USDA AMS Agricultural Analytics Division



Key Egg Markets Overview

	Recent History						
	15-May	% Change	8-May	1-May	24-Apr	17-Apr	10-Apr
SHELL EGGS (cents per dozen)							
National, Large, White (f.o.b. dock prices)	42.69	-27%	58.84	59.56	39.81	42.89	54.36
New York, Large, White, (price to retailers)	93.00	-10%	103.00	107.00	107.00	139.00	227.00
Midwest, Large, White (price dlvr'd to warehouse)	89.00	-2%	91.00	91.00	143.00	211.00	283.00
California, Large, benchmark	161.00	-1%	163.00	163.00	210.00	275.00	347.00
National Retail Shell Egg (dollars per dozen)							
Conventional, Large, White	1.03	-13%	1.19	1.57	0.95	0.95	0.95
Cage-Free, Large, Brown/White	2.26	-19%	2.79	2.79	2.47	2.47	2.47
<i>Note: Conventional retail price reflects recent market volatility due to COVID-19.</i>							
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (delivered prices)	30.00	50%	20.00	20.00	20.00	22.00	28.00
Whole Frozen Eggs	50.00	19%	42.00	45.00	40.00	45.00	50.00
Whole Dried Eggs	2.05	0%	2.05	2.05	2.05	2.10	2.25
Processed Share of Weekly Egg Production	22.6%	0.0%	22.7%	24.2%	22.6%	24.5%	25.1%
SHELL EGG DEMAND INDICATOR (no units)							
	11.6	2.0	9.6	13.8	13.1	12.7	14.6

Source: USDA AMS Agricultural Analytics

Key Shell Egg Markets Snapshot - 2020

(Large, White, Conventional Shell Eggs in cents per dozen)	15-May	Change	08-May	2020 High		2020 Low	
National, Large, White (f.o.b. dock prices)	42.7	▼ -27%	58.8	258.5	01-Apr	32.1	21-Apr
Daily New York Eggs (delivered store door)	93.0	▼ -10%	103.0	309.0	25-Mar	78.0	09-Jan
Midwest Regional (delivered warehouse) ¹	89.0	▼ -2%	91.0	293.0	30-Mar	62.0	13-Jan
California Benchmark	161.0	▼ -1%	163.0	377.0	30-Mar	140.0	13-Jan
Central States Breaking Stock (delivered prices) ¹	30.0	▲ 50%	90.0	70.0	17-Mar	20.0	22-Apr
Whole Frozen Egg Products (f.o.b. dock prices)	50.0	▲ 19%	42.0	78.0	13-Mar	40.0	24-Apr
Whole Dried Egg Products (f.o.b. dock prices)	2.05	■ 0%	2.05	2.30	03-Jan	2.05	24-Apr
Natl Average Retail Ad Price - Conventional	1.03	▼ -13%	1.19	1.57	01-May	0.87	14-Feb
Natl Average Retail Ad Price - Cage-free ²	2.26	▼ -19%	2.79	3.61	24-Apr	2.25	10-Jan
Shell Egg Demand Indicator	11.6	▲ 2.0	9.6	33.0	01-Apr	-6.2	08-Jan

¹ mostly high; ² non-organic

