



Egg Markets overview

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

October 30, 2020

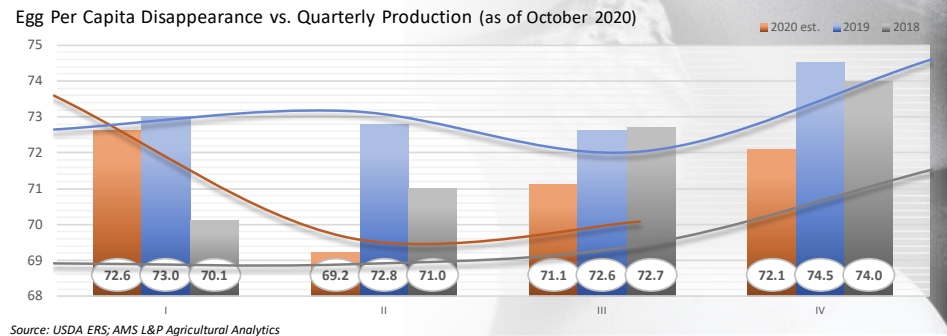
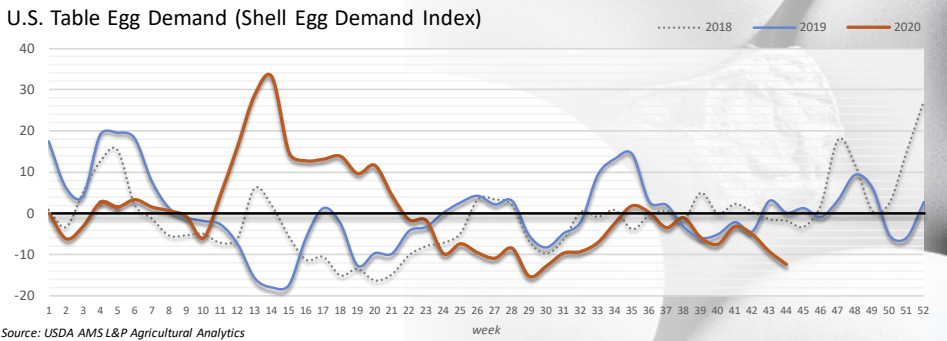
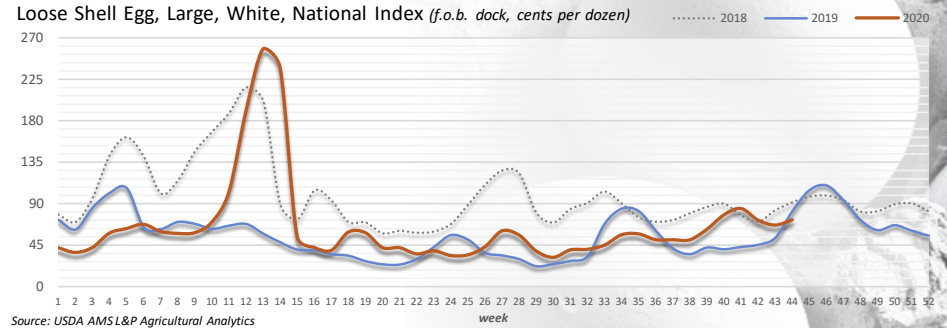
Wholesale prices for cartoned shell eggs entered the trading period with a weak undertone but soon steadied. Supplies are more than sufficient for current needs but offerings are quite manageable which is helping to stabilize prices. Demand has moderated as needs are covered but marketers continue to visit the spot market to keep stocks rotated. Trading is moderate. The market for loose eggs saw increasing prices for all heavy sizes this week as traders worked to backfill stocks depleted by rising carton business as the market enters the holiday baking demand season. Trading moved at a mostly moderate pace. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs increased 8% (from \$0.672 to \$0.729 per dozen) with a firm undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers declined one percent (\$1.19 to \$1.18 per dozen) with a steady undertone. The Midwest wholesale price for Large, white, shell eggs delivered to warehouses declined 2% (from \$1.05 to \$1.03 per dozen) with a weak undertone into next week. This week, prices paid to producers in the Midwest for Large shell eggs softened mid-week and declined one percent (from \$0.84 to \$0.83 per dozen) but steadied. The California benchmark for Large shell eggs was down one percent (from \$1.79 to \$1.77 per dozen) and trade sentiment is for steady into next week. Delivered prices on the California wholesale loose egg market increased 4% (from \$1.134 to \$1.179 per dozen) with a firm undertone.

Consumer demand for cartoned shell eggs declined over the past week as immediate retail promotional activity remained lackluster ahead of the big push for the Thanksgiving baking demand season, in typical fashion. This is expected to change over the weeks before the big holiday as expectations are good for increased demand for Thanksgiving over levels of recent years. Smaller holiday family gatherings are expected to be the norm this year, increasing demand for shell eggs per household, and with a more home-based consumer focus in light of COVID-19 and traditional flu season concerns.

Supermarket feature activity for conventional shell eggs slows from last week's pace and the average price on ad rises 12% (from \$1.12 to \$1.25 per dozen). Featuring of specialty types increases and expands ad share to 84% of shell egg ads this week, led by a resurgence of offerings of cage-free shell eggs even as last week's featuring of nutritionally-enhanced types begins to expire. Feature activity for [UEP-defined cage-free](#) shell eggs nearly quadruples to its most active pace since the end of July and accounts for 45% of all shell egg types on feature. The average ad price drops 24% (from \$2.80 to \$2.12 per dozen), resulting in a sharp contraction in the caged/cage-free price spread for 12-packs of Large at \$0.87 per dozen (\$0.81 or 48%).

The overall inventory of shell eggs increased nearly 7% and the nation-wide inventory of

Source: USDA AMS Agricultural Analytics Division



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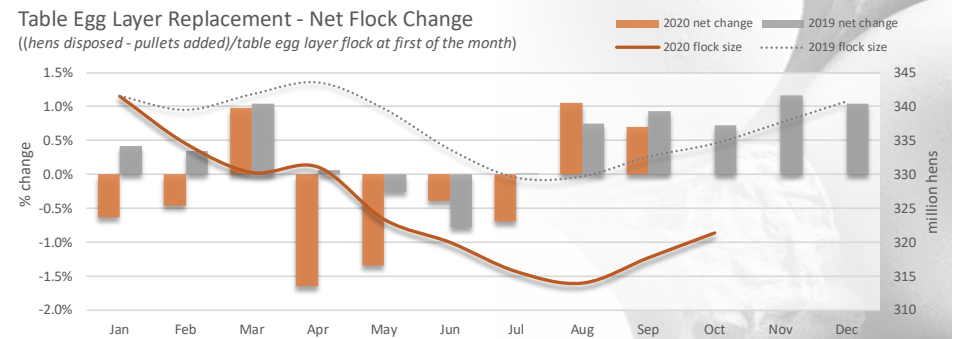
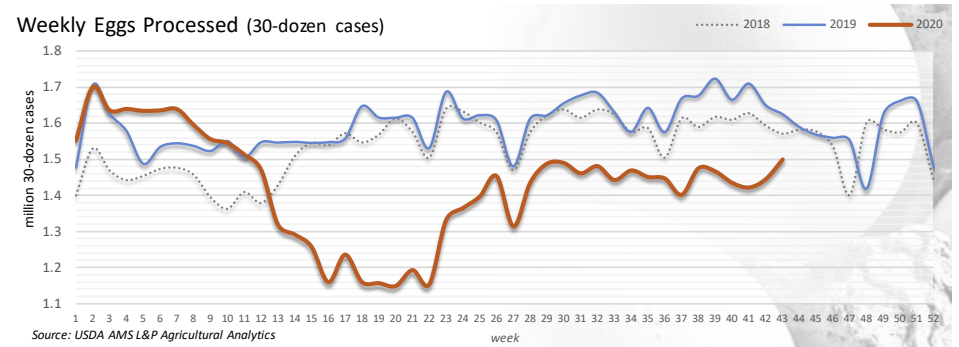
Large eggs was up 9.5%. Stocks of Large eggs in the key Midwest production region, however, declined 12% as eggs have begun to clear production points and are moving into marketing channels to satisfy the expected rise in seasonal demand during the traditional Thanksgiving baking season. The inventory share of Large class shell eggs increased a percentage point to just over a 53% share of all shell egg stocks on inventory at the start of the week, its highest share since Easter 2018. Stocks of cage-free eggs were up about a half percent to support a rising retail promotional activity. Breaking stock inventories dropped 8% as breakers drew from stocks to limit their exposure on the spot market which has subsequently begun to weaken. Breakers continue to anticipate leaner spot market pickings as carton demand rises in the fall but are taking advantage of slowing carton business when possible to maintain a workable level of supplies. Total table egg production for the week was unchanged from last week but continues to slowly rise relative to last year at a level of about 2% under last year's weekly production or about 2.9 million fewer dozen eggs.

The wholesale price for breaking stock in the Central States gained back 3% (from \$0.70 to \$0.72 per dozen) as breakers faced limited spot market offerings from which to keep their stocks at a level sufficient to maintain as close to a normal breaking schedule as possible. Demand is good and trading is close to a full moderate level. The volume of eggs processed over the past week increased 4% to a nearly 30% of weekly table egg production. This boost brought current week production within 8% of levels for the same week last year. Production of whole liquid eggs increased 2% as production shifted back whites and yolks, both up 10% over the past production week. Dried egg production decreased 12% while production of inedible egg was up 5%.

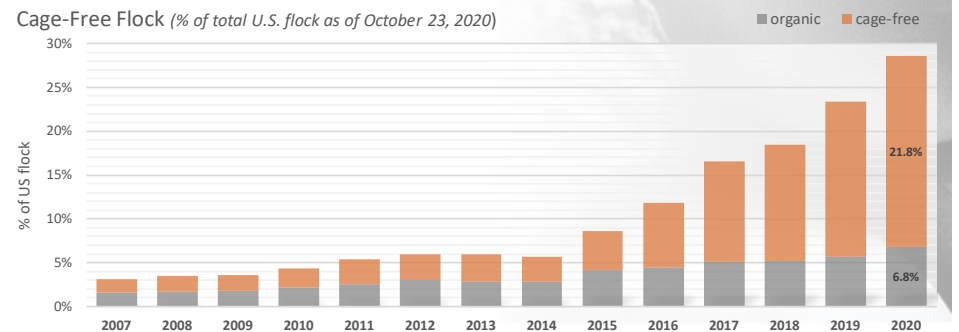
Wholesale prices for whole certified liquid whole eggs are too few to report with a higher undertone. Offerings are light to moderate on good demand and active trading. The wholesale price for frozen whole egg products is firm at \$0.92 per pound and the price for liquid whites is up 2% (from \$0.80 to \$0.82 per pound). The undertone is firm on light to moderate offerings and supplies. Trading is moderate to active on good demand. Wholesale prices for dried eggs are mixed with whole dried egg up 11% (from \$2.70 to \$3.00 per pound); dried yolk prices unchanged at \$2.30 per pound; and prices from dried albumen up 2% (from \$4.70 to \$4.80 per pound). The undertone is firm on light to moderate offerings and supplies. Demand is good and trading is moderate to active.

According to NASS, the September monthly volume of frozen eggs in storage declined 3% from August, 4% over 2019. Stocks of whole frozen egg decreased 5% from last month and were 2% under year ago levels. The share of whole egg stocks declined slightly to 47% of total frozen stocks. Stocks of frozen yolk declined one percent but were 24% more than the level of a year ago. Stocks of frozen egg whites declined 4%, 31% over the level of September 2019. Stocks of ungraded eggs decreased one percent but were up 7% over 2019. Ungraded stocks now account for 43% of all egg stocks in cold storage, a percentage point increase for the month.

Source: USDA AMS Agricultural Analytics Division



Cage-free commitments as of October 23 were unchanged, requiring 63.5 billion cage-free eggs per year to meet 100% of needs from an approximate cage-free flock of 212 million hens (66% of the U.S. non-organic flock), indicating a shortage of 142 million hens from the current non-organic cage-free flock of 70.0 million hens. The lay rate for non-organic cage-free production is currently estimated at 82.2%.

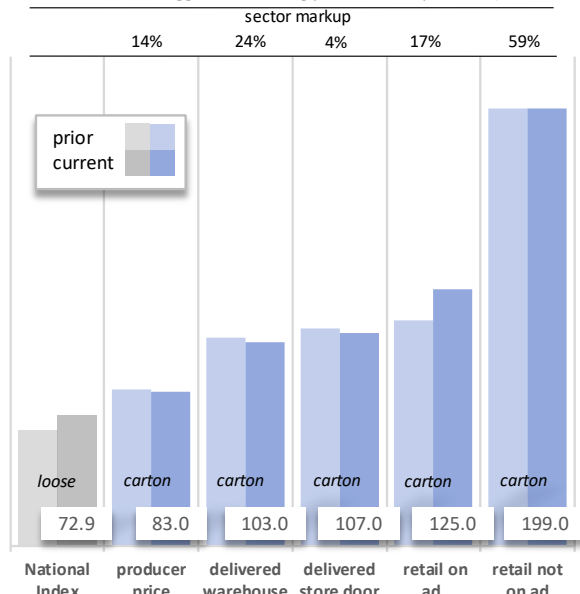


Egg Markets Overview

Shell Eggs Market Sector Price Comparisons

(as of October 30, 2020)

(National Index on a loose-egg basis, all other prices for cartoned eggs; LG White avg prices in cents per dozen)



Producer, warehouse, & store door = MW; retail no sale NY market; retail on sale Nat'l Retail Feature; loose eggs include minimal material costs.

U.S. Table Egg Layer Flock Estimates

(layers by system in millions)

System	October 2020	
	Flock	%
Caged ¹	229.6	71.5%
Cage-Free	91.7	28.5%
Organic Total	21.8	6.8%
Organic	15.1	4.7%
Free-range	4.0	1.3%
Pastured	2.6	0.8%
Non-Organic Total	69.9	21.8%
Barn/Aviary	65.1	20.2%
Free-range	2.8	0.9%
Pastured	2.1	0.6%

¹ - battery and enriched systems

Key Egg Markets Overview

	30-Oct	% Change	Recent History				
			23-Oct	16-Oct	9-Oct	2-Oct	25-Sep
SHELL EGGS (cents per dozen)							
National, Large, White (f.o.b. dock prices)	72.86	8%	67.16	72.44	85.15	78.24	62.56
New York, Large, White, (price to retailers)	118.00	-1%	119.00	121.00	121.00	116.00	103.00
Midwest, Large, White (price dlvr'd to warehouse)	103.00	-2%	105.00	105.00	98.00	86.00	81.00
California, Large, benchmark	177.00	-1%	179.00	177.00	162.00	147.00	141.00
National Retail Shell Egg (dollars per dozen)							
Conventional, Large, White	1.25	12%	1.12	0.68	1.00	1.13	0.94
Cage-Free, Large, Brown/White	2.12	-24%	2.80	2.51	2.56	2.58	2.52
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (delivered prices)	72.00	3%	70.00	74.00	76.00	76.00	49.00
Whole Frozen Eggs	92.00	0%	92.00	92.00	90.00	87.00	71.00
Whole Dried Eggs	3.00	11%	2.70	2.70	2.35	2.30	2.10
Processed Share of Weekly Egg Production	29.6%	1.0%	28.6%	28.3%	28.7%	30.0%	30.2%
SHELL EGG DEMAND INDICATOR (no units)	-12.4	-3.1	-9.3	-5.1	-3.2	-7.5	-5.9

Source: USDA AMS Agricultural Analytics

Key Shell Egg Markets Snapshot - 2020

(Large, White, Conventional Shell Eggs in cents per dozen)	30-Oct	Change	23-Oct	2020 High	2020 Low
National, Large, White (f.o.b. dock prices)	72.9	▲ 8%	67.2	258.5	32.1
Daily New York Eggs (delivered store door)	118.0	▼ -1%	119.0	309.0	78.0
Midwest Regional (delivered warehouse) ¹	103.0	▼ -2%	105.0	293.0	62.0
California Benchmark	177.0	▼ -1%	179.0	377.0	132.0
Central States Breaking Stock (delivered prices) ¹	72.0	▲ 3%	90.0	76.0	20.0
Whole Frozen Egg Products (f.o.b. dock prices)	92.0	■ 0%	92.0	92.0	40.0
Whole Dried Egg Products (f.o.b. dock prices)	3.00	▲ 11%	2.70	3.00	2.00
Natl Average Retail Ad Price - Conventional	1.25	▲ 12%	1.12	1.57	0.68
Natl Average Retail Ad Price - Cage-free ²	2.12	▼ -24%	2.80	3.61	2.06
Shell Egg Demand Indicator	-12.4	▼ -3.1	-9.3	33.0	-15.3

¹ mostly high; ² non-organic