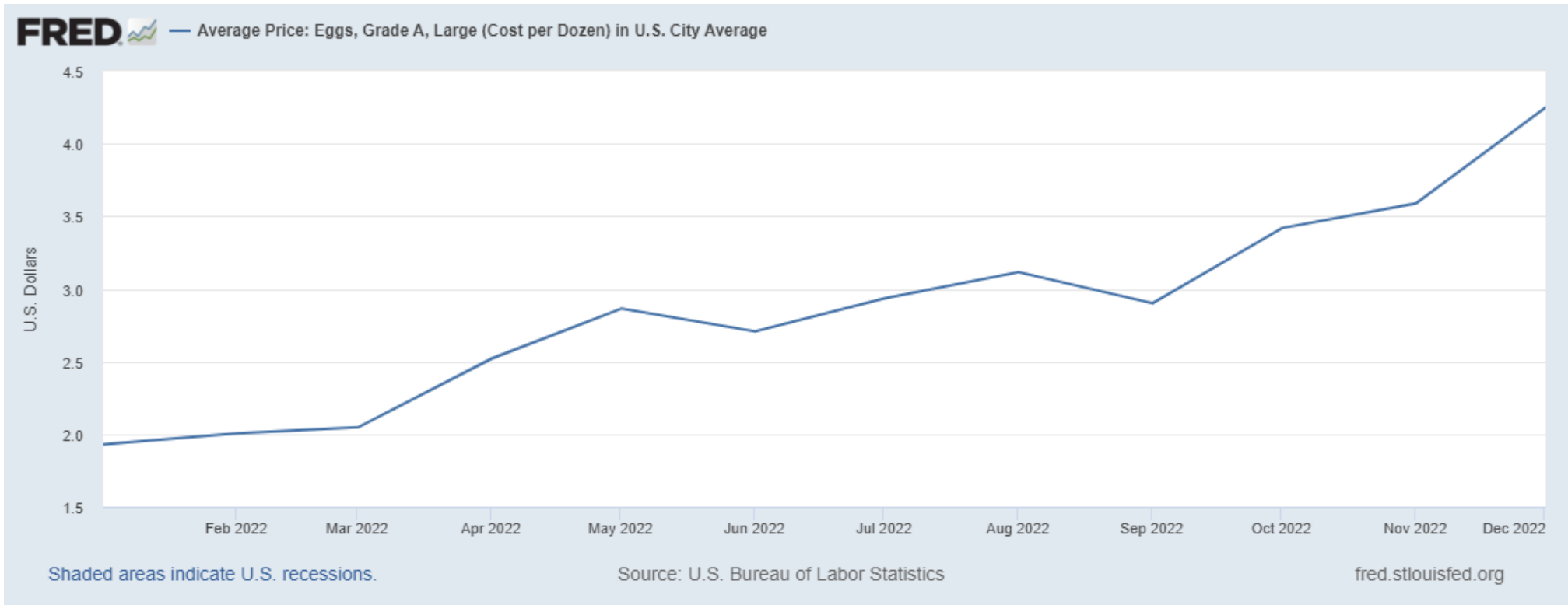


# Be Informed: An Eggsplanation of Egg Prices

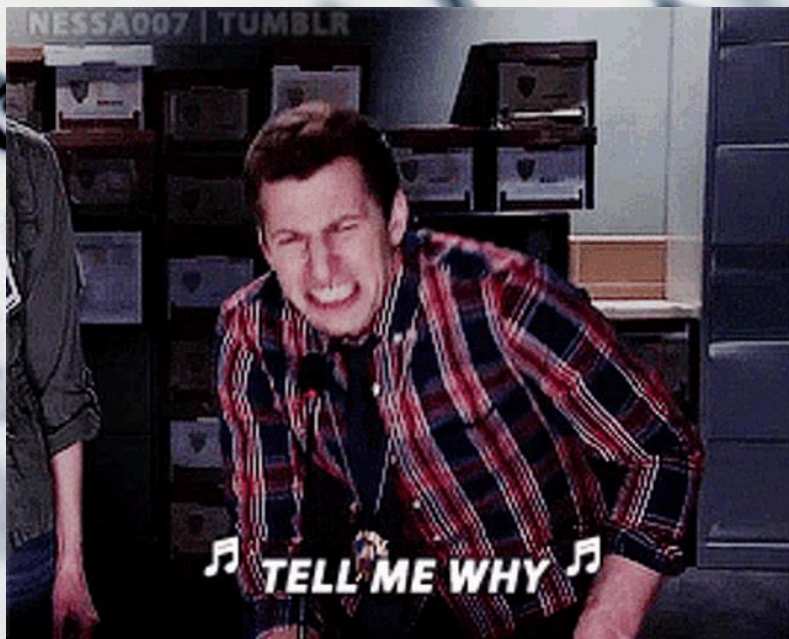
January 2023

Actual footage of Chelsea discussing what this month's topic should be:





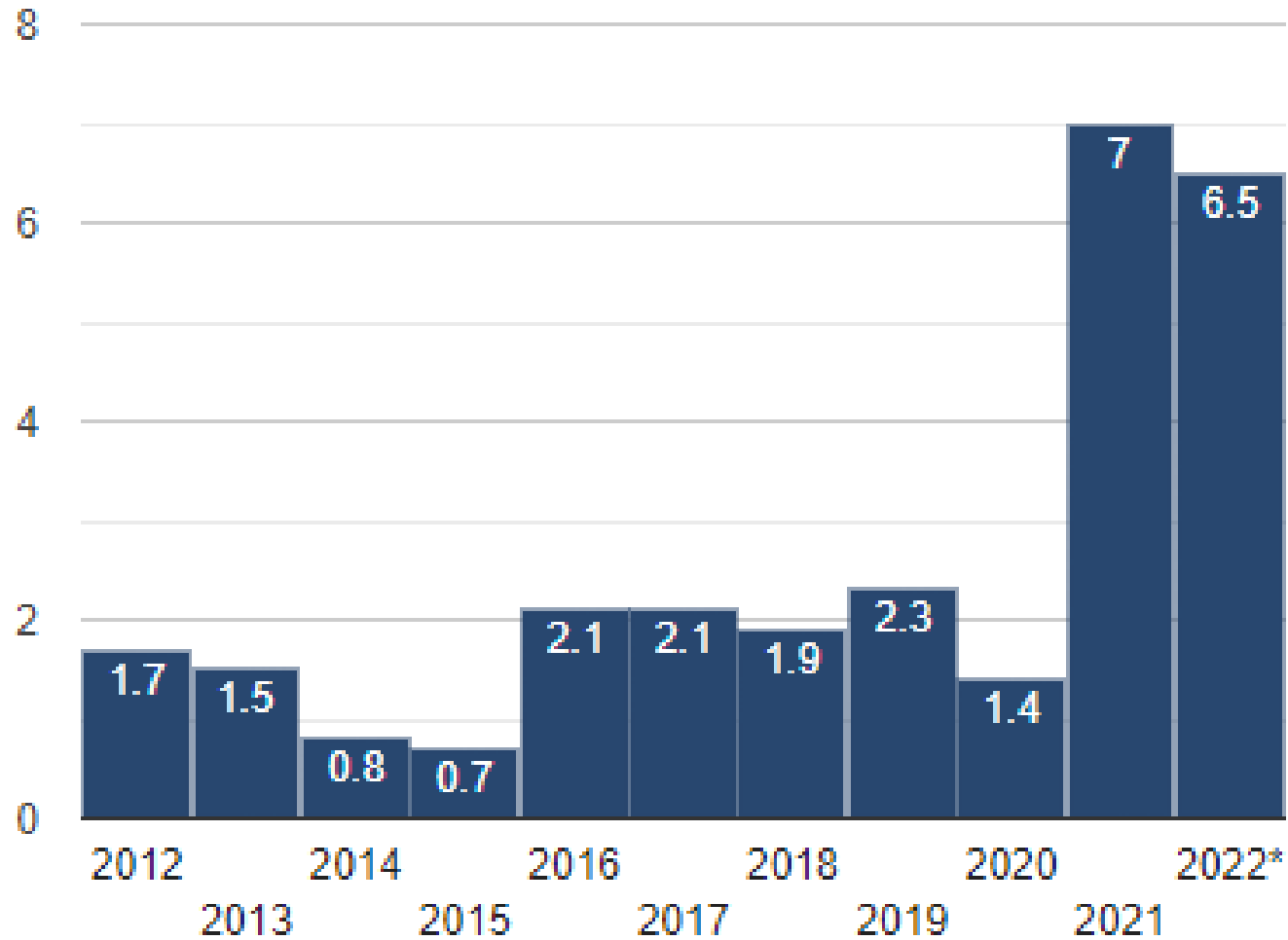
# Egg Prices Through the Roof



# Why?

- Economics
- Biology
- Policy

Chart: United States Annual Inflation Rates (2012 to 2022)



Source: US Inflation Calculator

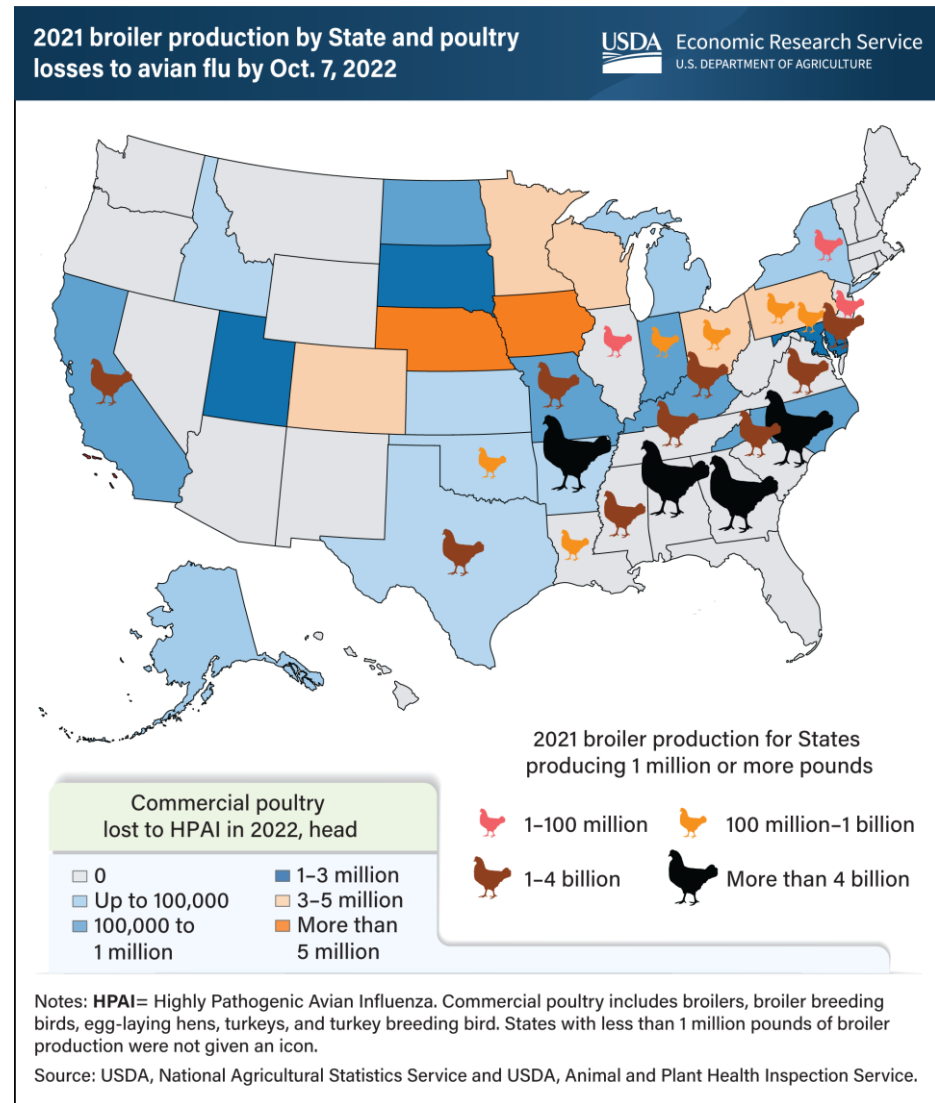
## Economics: Inflation

- Prices of goods and services rise across the spectrum of the economy; loss of purchasing power over time
- Agricultural commodities are the result of multiple inputs:
  - Feed/fertilizer
  - Diesel
  - Labor



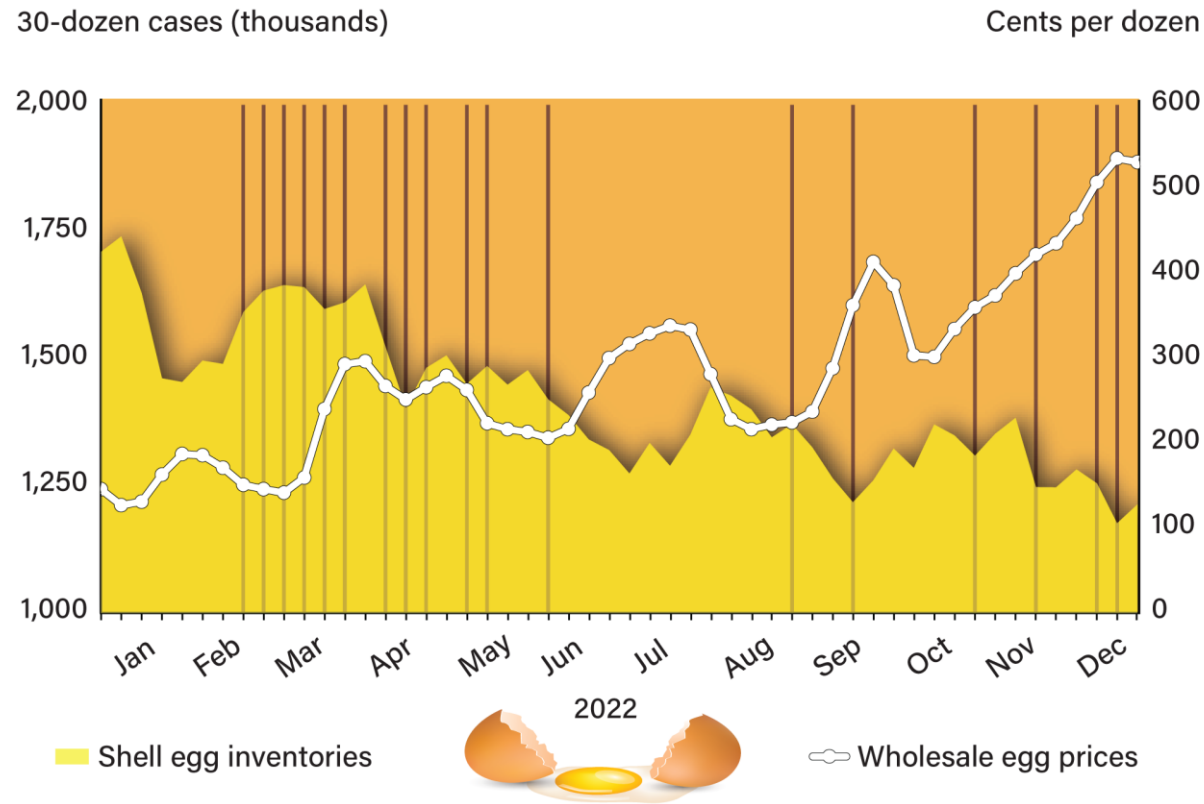
# Biology: Highly Pathogenic Avian Influenza (HPAI)

- Highly transmissible virus causing lethargy, lack of appetite, decreased egg production, coughing, sudden death
- Can be transmitted to humans through contact with infected birds
  - So far, only two cases reported (one in US and one in Europe)



## Weekly inventories of shell eggs and wholesale egg prices, 2022

USDA Economic Research Service  
U.S. DEPARTMENT OF AGRICULTURE



Note: Vertical lines represent weeks with outbreaks of highly pathogenic avian influenza. **Wholesale egg prices**—the prices retailers pay to producers—are for New York large, Grade A eggs. **Shell egg inventories** are for conventional all egg sizes.

Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service and USDA, Animal and Plant Health Inspection Service.

# Supply and Demand

- 43 million egg-laying hens have been depopulated across the nation
- US egg inventories decreased by 29 percent in the final week of December 2022 compared to the first week in January 2022

# Policy: Cage-Free Egg Rule

- Adopted by Arizona in April 2022
- Chicken Housing Requirements:
  - Requires all hens have 1 square-foot of space by October 2022
    - Pushed back implementation to January 2023 because of HPAI impact
  - Requires all hens be housed in “cage-free” environments by 2025
- Egg Sourcing Requirements:
  - Requires all eggs sold in Arizona, irrespective of place of production, meet the size/cage-free standards





# The Big Question:

- Should states be able to impose animal husbandry standards on producers outside their state boundaries?
- Yes!
  - States have a vested interest in making sure their consumers have access to products produced in line with that state's moral and ethical standards
  - If a one state doesn't want to comply with another state's rules, it can simply choose not to sell its products there
- No!
  - Allowing one state's policy to impose production restrictions on other states violates state sovereignty and allows one state to rule all others
  - Consumers vote with their dollars; if consumers want a particular product, the market will respond by making that product available

# Resources:

- American Farm Bureau: Breaking Down the HPAI Outbreak
  - <https://www.fb.org/market-intel/breaking-down-the-hpai-outbreak1>
- Arizona Farm Bureau: Egg Prices are Up
  - <https://www.azfb.org/Article/Egg-Prices-Are-Up-Keep-them-on-Your-Shopping-List-Remember-Them-When-You-Vote>
- Purdue University Center for Commercial Agriculture: Trends in General Inflation and Farm Input Prices
  - <https://farmdocdaily.illinois.edu/2022/04/trends-in-general-inflation-and-farm-input-prices.html>
- USDA's Economic Research Service:
  - [https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=105576#:~:text=Highly%20pathogenic%20avian%20influenza%20\(HPAI,the%20beginning%20of%20the%20year.](https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=105576#:~:text=Highly%20pathogenic%20avian%20influenza%20(HPAI,the%20beginning%20of%20the%20year.)