

An EGG ECONOMICS UPDATE

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SOUTHERN CALIFORNIA PRODUCER EGG PRICES - 2005

Prices for large ungraded eggs at the producer level (farm) averaged **41.6** cents per dozen in 2005 compared to **60.0** cents in 2004. Monthly egg prices for large eggs are shown in Table 1 for 2005 and in Figure 1 for 2005 and 2004.

Blend egg prices to California egg producers averaged **37.2** per dozen for all eggs produced in 2005 compared to **54.7** cents in 2004 and **59.4** cents in 2003. Blend prices are the result of different proportions of egg size throughout the year and price relationships between the various sizes. These are shown for 1994 through 2005 in table 2. In 2005 blend prices ranged from **3.3** (Jan and April) to **7.1** (July) cents below the price for large eggs. The annual average price for blended egg sizes was **4.4** cents below the price for large eggs compared to **5.3** cents in 2004. Blend prices for 1949 to 2005 are listed in table 3.

The large to medium price spread decreased slightly to **15.1** cents per dozen compared to **15.9** cents per dozen in 2004, **15.0** cents per dozen in 2003 and **13.4** cents in 2002.

The prices listed for 2005 represent Southern California. Northern California prices are reported to be about 1 cents/dozen higher. The prices listed in this report represent prices the producer received for unprocessed eggs F.O.B. the farm. No deductions are shown for transportation, promotions, service charges or for any other purpose.

Prices are recorded on the following Monday after announcement on Thursdays. Transportation to the packaging plant, different posting dates, and miscellaneous service charges could lower these estimates by another 1 to 2 cents per dozen for the entire year..

Individual producers will receive more or less of the prices listed due to differences in egg size/quality patterns and different price arrangements with buyers. Eggs above large in size (extra large and jumbo) are usually priced at the same price as large.

Table 1. 2005 Producer prices (cents per dozen) - unprocessed

Month	Large	Medium	Small	Month	Large	Medium	Small
Jan.	40.0	26.8	12.2	July	41.4	14.0	8.0
Feb.	47.6	37.3	17.2	Aug.	3.4	15.3	8.0
Mar.	38.1	25.0	8.0	Sep.	51.0	29.3	9.6
Apr.	32.0	19.8	8.0	Oct.	38.5	28.2	9.0
May	32.3	21.2	8.0	Nov.	53.6	43.7	23.7
June	30.9	14.0	8.0	Dec.	61.2	43.0	23.0
Annual Average:				Large	Medium	Small	
				41.6	26.5	11.9	

Figure 1. Southern California Producer Egg Prices

2004 and 2005 (Large ungraded eggs)

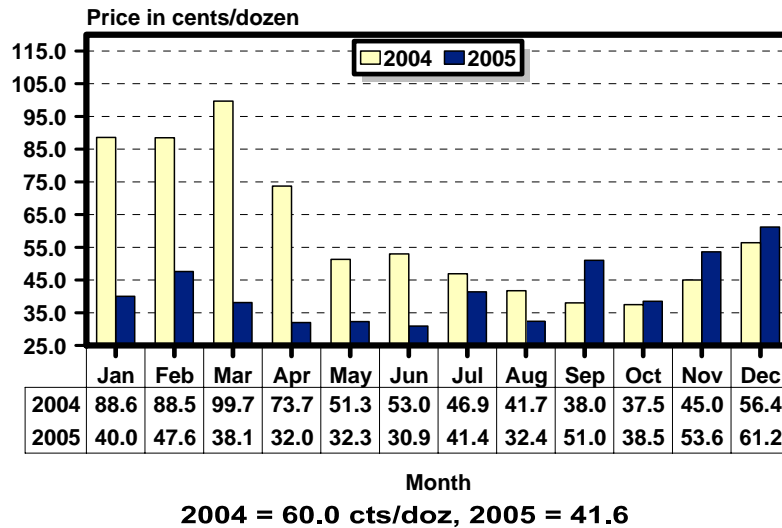


Table 2. Estimated blend prices - 1996 through 2005 (cents per dozen)

Blend	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
75% large	69.7	63.0	56.2	44.0	44.8	43.2	43.4	64.8	60.0	41.5
15% medium	56.1	47.5	38.9	30.3	33.2	30.8	30.1	49.8	44.1	26.5
2% small	36.1	25.6	19.8	14.2	15.0	13.9	12.6	29.8	25.6	11.9
6% undergrade	34.9	22.1	19.7	15.4	15.7	15.1	15.2	22.7	21.0	14.6
2% loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Average	63.2	56.0	49.5	38.8	39.8	38.3	38.3	59.4	54.7	37.2

* **Note:** The distribution pattern was changed in 2001 as follows:

79.2% large, 12.8% medium, 2% small, 5% undergrades and 1% loss. This change was not abrupt as we show it, but instead, appeared gradually over this time period.

Table 3. Estimated blend prices - 1950 through 2005 (cents per dozen).

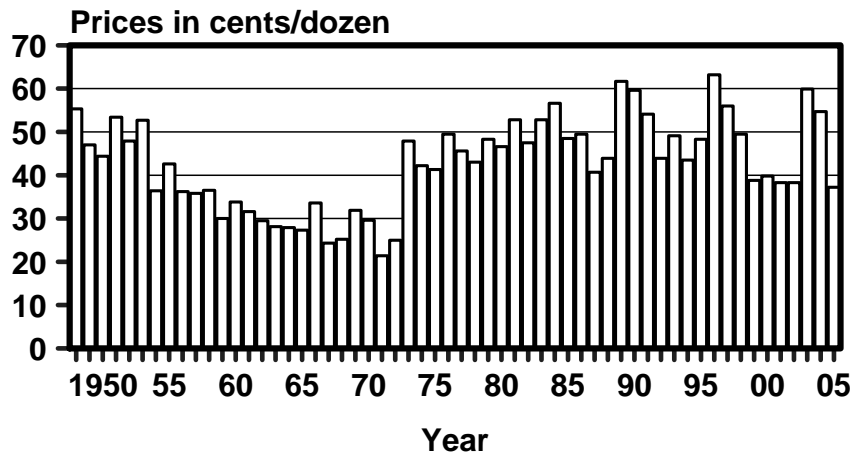
Yr	Cts.	Yr	Cts.	Yr	Cts.	Yr	Cts.	Yr	Cts.	Yr	Cts.	Yr	Cts.
50	44.4	58	36.5	66	33.6	74	42.2	82	47.5	90	59.6	98	49.5
51	53.4	59	30.0	67	24.3	75	41.3	83	52.8	91	54.1	99	38.8
52	47.9	60	33.8	68	25.2	76	49.5	84	56.6	92	43.9	00	39.8
53	52.7	61	31.6	69	31.9	77	45.6	85	48.5	93	49.1	01	38.3
54	36.4	62	29.5	70	29.6	78	43.0	86	49.5	94	43.5	02	38.3
55	42.6	63	28.1	71	21.4	79	48.3	87	40.7	95	48.3	03	59.4
56	36.2	64	27.9	72	25.0	80	46.6	88	43.9	96	63.2	04	54.7
57	35.8	65	27.3	73	47.9	81	52.8	89	61.7	97	56.0	05	37.2

Annual blend egg prices (37.2 cents/dozen) in 2005 were the lowest since 1972 when prices reached 25 cents per dozen. Average egg prices reached an all-time high in 1996 at 63.2 cents per dozen followed by 1989 with prices averaging 61.7 cents per dozen. The highest farm price for large eggs was seen in late January of 2004 at \$1.10/dozen. The highest month was in March of 2004 when prices for large eggs averaged 99.7 cents.

Monthly egg price patterns during 2005 were considerably different from normal periods when egg prices are usually higher at both ends of the year and lower prices in mid-year. The pattern in 2005 was remarkably flat with very low prices during the first half of the year.

Figure 2. Estimated Blend Prices for Eggs

Southern California - 1949 to 2005



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