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## The egg as economic indicator

High gasoline prices routinely make headlines - and draw consumers' ire. Although the price of eggs also has been rising, it hasn't received much attention. Maybe that's because egg prices aren't posted on giant billboards.

The fact is, the price of eggs went up 28 percent last year, according to a preliminary report by the U.S. Department of Agriculture's Economic Research Service.

Overall, the Consumer Price Index for all food increased 4 percent in 2007.

At the Kroger in South Charleston last week, a dozen large eggs cost \$1.99.

"Higher feed and gasoline costs - all those things consumers are wrestling with, producers are wrestling with as well," said Kevin Burkum, vice president of marketing at the American Egg Board.

A chicken consumes 4 pounds of feed to make a dozen eggs, said the egg board, which represents large producers.

"Worldwide demand for eggs is strong," Burkum said. Egg consumption in the United States has been steadily increasing over the past decade. Exports are higher, too.

A spokesman for the United Egg Producers agreed that prices are up because costs are rising, demand is strong and supplies are tight.

There's another factor working just now against consumers: "Egg costs typically follow a predictable seasonal pattern with higher costs November through Easter and lower costs during late spring and summer months," according to the egg board.

"Eggs are not unique in prices going up," Burkum said. "Commodities, especially other proteins, have been going up. Eggs are the highest-quality protein of any food you can buy. So if you're a mother and you're trying to feed a family in an economical, nutritious way, eggs still need to be on the shopping list. Even despite price increases, eggs are still a terrific value."

According to the egg board, a dozen large eggs weighs 1 1/2 pounds, so the price per pound equals two-thirds of the price per dozen. Therefore, my \$1.99-a-dozen eggs cost \$1.31 a pound.

The USDA says egg production is expected to gradually increase in 2008 but prices through the first half of the year are expected to remain considerably higher than in 2007.

Gus Douglass, state agriculture commissioner, issued a news release earlier this month that said some reports about higher grocery prices and the rising price of corn due to increased ethanol production might lead the public to believe that farmers are reaping a financial bonanza.

This isn't the case for the vast majority of farmers in West Virginia and throughout the country, Douglass said. Most farm families rely on off-farm income to make ends meet and are powerless to affect the prices they receive for the food they produce, he said.

Douglass cited federal research that shows from 1954 to 2004, the percentage of consumer dollars received by farmers fell from 37 percent to 20 percent. During the same period, the percentage of Americans' disposable income spent on food fell from 18 percent to 10 percent.

The USDA said that in 2004 - the latest year for which figures are available - farmers received an average of 54 cents for a dozen eggs. The retail price that year averaged \$1.34 a dozen.

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