

Price Report: Tracking Milk and Egg Trends

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Farm Bureau volunteer shoppers across the U.S. recently began tracking retail prices for different types of milk and eggs.

For the third quarter of 2007, shoppers reported the average price for a half-gallon of regular whole milk at \$2.40, up 18 cents from the prior quarter. The average price for one gallon of regular whole milk was \$3.94, up 48 cents from the second quarter. Comparing per-quart prices, the retail price for whole milk sold in gallon containers was 21 percent lower compared to half-gallon containers, a typical volume discount long employed by retailers.

The average price for a half-gallon of rBST-free milk was \$3.01, the same price reported in the second quarter but 25 percent higher than the current price for a half-gallon of regular milk, reported at \$2.40.

The average price for a half-gallon of organic milk was \$3.43, down 22 cents compared to the second quarter but 43 percent higher than the current price for a half-gallon of regular milk, reported at \$2.40.

For the third quarter of 2007, the average price for one dozen regular eggs was \$1.51, down 5 cents compared to the second quarter. The average price for "cage-free" eggs increased 56 cents to \$2.78 per dozen. "Cage-free" eggs cost 84 percent more per dozen than regular eggs in the third quarter.

"Booming dairy exports are driving the retail price surge in fluid milk," said AFBF Economist Jim Sartwelle. "That being the case, level prices relative to the second quarter for rBST-free milk and the price drop for organic milk could mean we're close to discovering the outer retail price point for a half-gallon of milk."

Regarding eggs, "The widening retail price gap between conventionally produced and "cage-free" eggs reflects variations in costs for different production practices," Sartwelle said. "Although food and fiber producers typically are not able to pass higher production costs along to consumers, it is happening to some extent with "cage-free" eggs, which command a miniscule market share."