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Cracks in the System: Why U.S. Egg Prices Won't Drop Until Poultry Farming Changes

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FARMFORWARD

ISSUE BRIEF

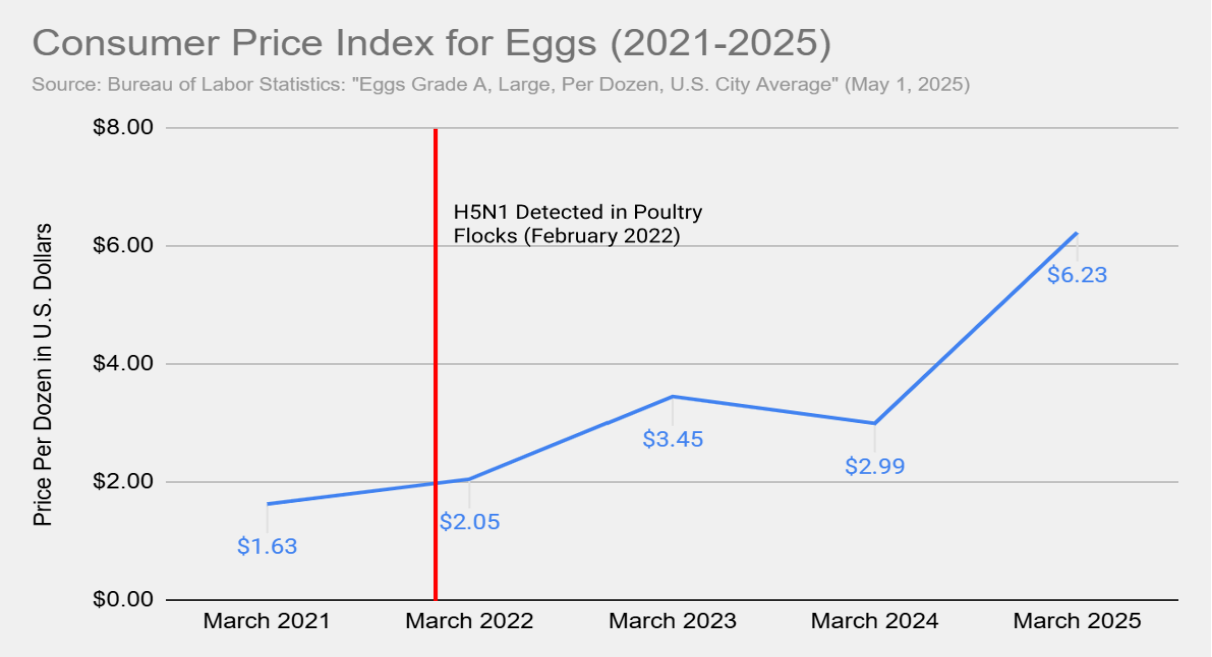
Tomorrow, May 13th, the Bureau of Labor Statistics will release an update on the Consumer Price Index for April. The data is expected to include an announcement about the retail price of eggs, which has been a focal point of national discussion about inflation, food, and tariffs. Even before the April figures were released, President Trump has claimed victory, saying that the price of eggs is falling and "availability is fantastic."[1]

But while retail prices are expected to fall in April compared to March, there are many reasons to believe that this trend represents only a seasonal cyclical decline — and that higher egg prices are here to stay unless federal agriculture regulators finally start getting serious about reforming our broken and unhealthy food system.

Egg prices and bird flu

Consumers have, for years—and especially in the last few months—been paying record prices for eggs as a result of the H5N1 outbreak in poultry. Media reports have proliferated on the virus's impact on egg supply and pricing, making eggs and egg prices a potent symbol of the effects of the outbreak.

According to the Bureau of Labor Statistics Consumer Price Index for average egg prices, prices have tripled since the most recent outbreak emerged in poultry in 2022 and reached a



[1] Qui, Linda. "Egg Prices and Economic Claims: A Fact Check." The New York Times, The New York Times Company, 3 Apr. 2025.

historic high in March 2025 at $6.23 per dozen—an increase of 108 percent from the previous year.[2]

Year over year, increasing egg prices have been driven by the spread of the H5N1 outbreak in poultry. Most recently, in September 2024, the emergence of a new variant, the D1.1 genotype, which appears to cause more serious disease, led to a sharp spike in cases and resulted in the culling of 53.8 million birds between December 2024 and February 2025, by far the highest number of infections and culling deaths in a three-month period since the outbreak began in 2022.[3]

The high number of cases in the fall of 2025 and the rapid spread of the D1.1 strain aligned with the migratory patterns of wild birds as they flew south for the winter, spreading the virus to poultry, dairy cows, and birds and mammals of many species.[4] These infections and associated deaths have carried into the first quarter of 2025. On April 25, 2025, USDA reported that 30.6 million laying hens have been culled in 2025 so far.[5] The dramatic increase in cases beginning in September 2024 further limited an already strained supply of eggs, sharply driving up egg prices month over month to an all-time high of $6.23 per dozen.[6]

Wholesale prices are dropping, but retail prices will continue to trend higher

Despite a recent decline in wholesale egg prices, retail prices remain high—and they'll likely increase dramatically by the end of 2025.

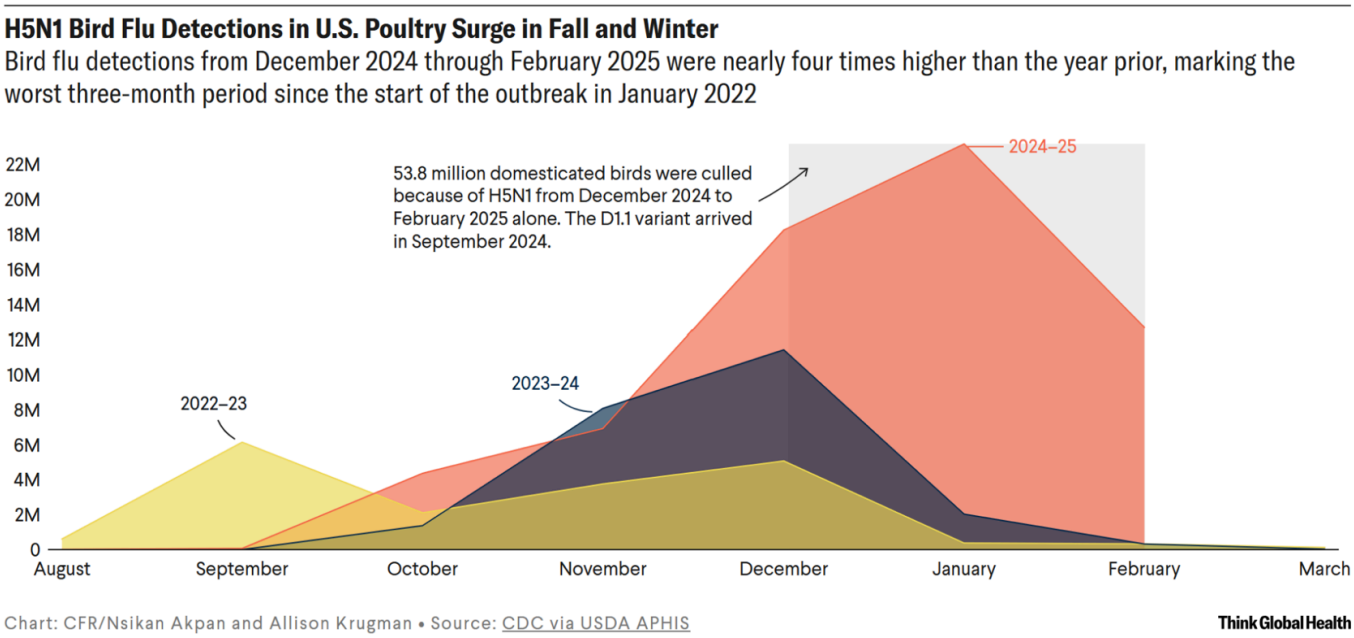
In March 2025, signs showed that prices might level off. On March 14, 2025, USDA reported a significant drop in wholesale prices for eggs (declining from $6.85 per dozen to $4.15.[7] The agency cited the fact that no new significant outbreaks of H5N1 were reported in poultry in the first half of the month,[8] and U.S. Secretary of Agriculture Brooke Rollins claimed that USDA's recent five-pronged strategy to fight bird flu had made significant advancements in its mandate.[9]

But despite these claims, there is little indication that USDA has made any real progress. On May 1, 2024, the New York Times reported that scientists and federal officials say that the cost

[2] Bureau of Labor Statistics, "Consumer Price Index Average Price Data: Eggs, Grade A, Large, Per Doz. in U.S. City Average, Average Price, Not Seasonally Adjusted," data extracted April 29, 2025.
[3] Nsikan Akpan, "U.S. Egg Prices See Largest Jump Since 1980 as Bird Flu Outbreaks Continue," Think Global Health, March 12, 2025.
[4] USDA Animal and Plant Health Inspection Service (APHIS), "Confirmations of Highly Pathogenic Avian Influenza in Commercial and Backyard Flocks;" USDA APHIS, "Detections of Highly Pathogenic Avian Influenza in Mammals."
[5] USDA, "Egg Markets Overview," April 25, 2025.
[6] Bureau of Labor Statistics, "Consumer Price Index Average Price Data: Eggs, Grade A, Large, Per Doz. in U.S. City Average, Average Price, Not Seasonally Adjusted," data extracted April 29, 2025.
[7] USDA, "Egg Markets Overview," March 14, 2025.
[8] USDA, "Egg Markets Overview," March 14, 2025.
[9] USDA, "Press Release: USDA Update on Progress of Five-Pronged Strategy."

cuttings and mass firings of federal staff dedicated to bird flu response and the shutdown of communications on the state of the virus continue to hinder meaningful action toward containment.[10]

Bird flu is seasonal and cyclical



Source: Nsikan Akpan, "U.S. Egg Prices See Largest Jump Since 1980 as Bird Flu Outbreaks Continue," Think Global Health, March 12, 2025.

The chart above highlights that the drop in egg prices have less to do with the much-touted changes from USDA and more to do with the way bird flu has always moved through U.S. flocks cyclically. Seasonality of the virus linked to migratory movements of birds results in an ebb and flow of infections over a timespan of months. Measuring success based on data counted over a few weeks does not offer an adequate picture of the state of the virus or the success of efforts to contain it.[11]

The big question is: will egg prices continue to trend upward? The short answer is yes. As long as the outbreak remains uncontained, prices will return to high levels and continue to increase in the coming months and years. The USDA Economic Research Service predicts that, in 2025,

[10] Apoorva Mandavilli, "Upheaval in Washington Hinders Campaign Against Bird Flu," *New York Times*, May 1, 2025.
[11] Although there were, indeed, no significant outbreaks reported by the CDC in the first two weeks of March, there has been an uptick in the weeks following, with a handful of higher significance outbreaks emerged in egg-laying flocks, including 1.3 million birds on a farm in Indiana (March 18th), 400,000 at an Iowa facility (March 17th), 293,000 in Ohio (April 14th), and 700,000 in South Dakota (April 30th). It is yet to be seen whether these outbreaks signal a broader trend in case increases across the industry.
CDC, "USDA Reported H5N1 Bird Flu Detections in Poultry," updated April 25, 2025.

farm-level prices (the prices producers receive for eggs before wholesale processing and distribution) will rise by an average of 54.6 percent.[12] This projection comes with a large margin of error (32.6 percent to 82.7 percent), and the real farm-level price is likely to reflect the state of the H5N1 outbreak—higher if the outbreak continues unchecked and lower if some efforts to contain the virus succeed.[13] Even if prices are down in the coming months, the trend in infections that accompany wild bird migration means that prices will likely spike again in the fall if significant progress is not made to curb the spread of the virus in the meantime.

How we could bring egg prices down for real

Without comprehensive tracking, transparent reporting, and decisive actions like the deployment of poultry vaccines, the outbreak is unlikely to end anytime soon. As the virus continues to spread, the risk to public health increases exponentially[14] and the chance that egg prices will come down in any sustained way is doubtful.

Protecting egg supply and pricing from the ravages of bird flu requires a major overhaul of the poultry industry to build resilience to infectious disease outbreaks. The U.S. is failing, but can look to Canada for solutions.

The common U.S. method of raising poultry, characterized by overcrowding in high-density housing, is a root cause of H5N1's rapid and extensive spread in poultry farms. Because industrial agriculture creates the perfect breeding grounds for spreading infectious disease, researchers have reported that controlling the spread of viruses like H5N1 is an impossibility in our current system.[15] Efforts to manage the virus through culling have proven an ineffective band-aid. Truly controlling the crisis would necessitate significantly restructuring the poultry industry and the way industrial animal agriculture operates as a whole.[16]

In the U.S., 80 percent of egg-laying hens are raised at facilities with populations of more than 75,000 birds,[17] and most hens are raised on farms much larger than that (the mean flock size is 1.2 million birds).[18] High concentrations of birds in confined conditions allow for the unchecked spread of disease, and the federal government mandates that when H5N1 is detected in one

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[12] USDA Economic Research Service, "Food Price Outlook–Summary Findings," April 2025.
[13] USDA Economic Research Service, "Food Price Outlook–Summary Findings," April 2025.
[14] Catherine Caruso, "Are We on the Cusp of a Major Bird Flu Outbreak?" Harvard Medical School News & Research, March 7, 2025.
[15] Matthew Hayek, "The Infectious Disease Trap of Animal Agriculture," Science Advances 8, no. 44 (2022); Alyssa Marchese and Alice Hovorka, "Zoonoses Transfer, Factory Farms and Unsustainable Human–Animal Relations," Sustainability 14, no. 19 (2022).
[16] Convention on the Conservation of Migratory Species of Wild Animals, "Scientific Task Force on Avian Influenza and Wild Birds Issues Recommendations," January 25, 2022; Compassion in World Farming, "Bird Flu: Only Major Farm Reforms Can End It."
[17] USDA National Agricultural Statistics Service, "Poultry - Inventory and Number Sold: 2022 and 2017."
[18] James L. Mitchell et al., "Biological Lags and Market Dynamics in Vertically Coordinated Food Supply Chains: HPAI Impacts on U.S. Egg Prices," *Food Policy* 126 (2024): 102655.

bird, all birds in that flock must be killed. This usually results in culling thousands of birds; in scores of U.S. cases, producers have killed flocks numbering more than a million birds, including several of more than four million birds.[19]

When there is a detection at one of these facilities, the industry loses a significant portion of the overall number of laying hens used to produce the nation's egg supply. Looking at Canada's H5N1 outbreak, the country has not been hit nearly as hard by the virus's effects on egg production and pricing—in Canada, there is essentially no egg shortage.[20]

The reason for Canada's resilience to H5N1 is multifaceted, but the primary explanation is, quite simply, farm size. The average flock size of a Canadian egg farm is 25,000 birds—drastically smaller than the U.S. average of more than a million birds.[21] Canada's national supply management system has played a critical role in making it possible for smaller farmers to survive in the industry.[22] Smaller farms create a more resilient food supply because an outbreak at a single farm and its associated culling results in the loss of fewer birds. Mike von Massow, food economist from the University of Guelph, told *NPR,* "If individual farms represent a larger proportion of production, then when an individual farm is affected, you're taking more of that supply, right?"[23] *CBC News* points out that an infection on a farm with millions of birds will take millions of eggs per day out of the market supply.[24]

For the U.S. to have any chance at containing the H5N1 outbreak and lowering egg prices for consumers, much more meaningful action must be taken—not the least of which is a fundamental shift in how poultry are raised. Under its current practices, the industry will continue to be vulnerable to disease outbreaks that threaten public health and cause major supply chain disruptions, and consumers will continue to pay the price in the grocery store checkout line.

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[19] CDC, "USDA Reported H5N1 Bird Flu Detections in Poultry," May 1, 2025.
[20] Scott Horsley, "This is Why Canada Has Plenty of Eggs — and the U.S. Doesn't," March 18, 2025.
[21] The Canadian Press, "Made in Canada System' Keeps Egg Supply Stable. But Is It Also Keeping Prices High?" *Canadian Poultry*, February 8, 2023.
[22] Ontario, "Supply Management Systems for Eggs, Poultry and Dairy;" Jeff Melchior, "Is Supply Management Shielding Canada's Poultry and Egg Farmers from Bird Flu?" *The Western Producer*, April 17, 2025.
[23] Scott Horsley, "This is Why Canada Has Plenty of Eggs — and the U.S. Doesn't," March 18, 2025.
[24] Kevin Maimann, "Why Canada is Safe, For Now, From Very High Egg Prices," *CBC News*, February 5, 2025.