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FUTURE OF CAGE-FREE EGG PRODUCTION REMAINS UNCERTAIN, FINANCIALLY CHALLENGING
Study from academia, egg producers and FMI examines lack of consumer demand, high costs

Atlanta, GA: A new study released today on cage-free egg production finds vast challenges related to costs and construction, a continuing lack of consumer demand and growing concern about unintended consequences related to operations and financing. The study was conducted in 2022 by a team of researchers from Michigan State University, with collaboration from Kansas State University and Purdue University, and was funded by the FMI Foundation, United Egg Producers and United Egg Association.

Among the most relevant consumer-related insights of the research:

- More than **half of consumers (56%) are unaware of whether their grocery store has made such a pledge**, and only 19% believe their store has made a pledge.
- There are segments of consumers willing to pay significant premiums for cage-free eggs, but **the largest segment (representing 55% of consumers) is primarily motivated by price** and does not discriminate between cage and cage-free eggs.
- If conventional eggs are removed from the market, and prices remain unchanged, the share of **consumers choosing not to buy eggs will increase by 20%**.
- Consumers prefer government subsidies to support cage-free transitions over mandates that require adoption of certain housing practices.
- Consumers also prefer establishing minimum cage space requirements over the complete abolition of conventional egg production.

“While eggs are on most consumers’ minds, this research adds new information regarding the shopper’s willingness to pay for sustainability and animal welfare-related poultry practices and what they ultimately want their grocer to stock,” said David Fikes, executive director, FMI Foundation. “We are proud to support this report as it is consistent with the [FMI Foundation’s ongoing work](#) to help the food industry uncover, understand, and better align with consumers’ ultimate values, whether those be cost, taste, convenience or a desired hen housing method.”

“This research confirms what egg producers have known – cage-free transitions are extremely expensive, take years to implement and must be done in active partnership with their retail customers,” said Chad Gregory, president and CEO, United Egg Producers. “Further, the study sheds light on one of the greatest challenges – that grocery shoppers do not understand transition deadlines and largely are unwilling to pay the premiums necessary to make the transitions cost-effective for egg farmers and their retail customers.”

“Recently, inflation, supply chain issues, and avian flu outbreaks have led to a substantial increase in the price of eggs. But on the horizon is a series of legal mandates and private sector commitments to convert to 100% cage-free production by 2025. Adding these cage-free mandates and pledges to the mix could drive prices up even further. In our study, we look at this issue from both the consumer as well as producer perspective to understand how the market would shift in such a context,” said Dr. Vincenzina Caputo, associate professor,

Michigan State University. “Providing an economic assessment of market and producer impacts paints a clearer picture of the future market environment for producers, consumers, and other industry players. Likewise, it gives policymakers insights on how to react to these changes from a policy perspective, while also enriching the current debate on price inflation and cage free mandates/pledges.”

A full copy of the research is available on request or via this [link](#).

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