Our Hungry Planet: Golden eggs

With prices soaring, eggs exemplify the forces at work in the 21st-century food chain.

By Richard Meryhew and Chris Serres • , Star Tribune

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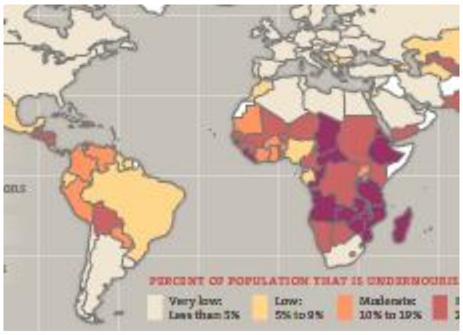

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At Baer Brothers, Inc.

Jeffrey Thompson, Star Tribune

Jack Romine picked up the grocery receipt lying on his kitchen table and began studying the numbers.

Milk, bread, a head of lettuce. Prices were up but not out of line. Then came the shocker -- $2.29 for a carton of eggs.

He called the store to double-check. No, the clerk told him, $2.29 was the going rate for a dozen large Grade A's.

"I couldn't believe it," said Romine, 77, a retired advertising director from Brooklyn Center.

In a year of soaring food costs, nothing in American grocery carts has spiked like eggs -- up nearly 60 percent in two years.

What's to blame? A lot, it turns out.

Global pressures, such as increased demand from changing diets in developing countries, and rising feed costs from spikes in commodity prices this year are partly responsible.

So are long-term trends in the egg industry. Rapid consolidation and a move to industrialized production have left fewer players producing the bulk of the nation's eggs. And newer environmental regulations make expanding, or getting into the business, more difficult.

But the most significant influence on pricing may well have been the industry's own doing. Over the past two years, after a several-year slump, egg farmers have cut back on the size of their hen flocks at a pace not seen in more than 20 years. The result: Fewer hens means fewer eggs, which in turn means higher prices. That has generated a profit bonanza for the egg industry, but has also caught the attention of the U.S. Department of Justice, which is investigating whether some of the nation's largest egg producers conspired to fix prices.

Through it all, one thing is clear: Industrialized food production has not insulated consumers from price volatility. In fact, some agricultural experts argue it may have exacerbated the problem.

'Dark clouds'

Amon Baer's northwestern Minnesota egg farm is a far cry from the one his dad had in the 1960s. Back then, hens roamed freely and Amon and his brothers picked eggs by hand.

A generation later, Baer's mechanized facility, which employs 25 people, cranks out 18,000 dozen eggs in a day.

Two henhouses with 150,000 birds each span the length of two football fields and flank a packaging center, where the eggs are inspected, cleaned and boxed.

Hens -- from as few as three to as many as 10 -- live in small, wire-battery cages that are stacked four rows high. Water drips from a nipple at the top of each cage. Feed is delivered by conveyor belt.

Eggs roll slowly across the bottom of the slightly sloped cage onto another conveyor belt, where they wind their way to the packaging center.