

# PROPOSED UB SHELL EGG METHODOLOGY CHANGE NOTICE

Posted January 26, 2024

**UrnerBarry**  
MARKET PRICES, NEWS, AND ANALYSIS

Urner Barry regularly solicits feedback from stakeholders to ensure that our coverage reflects current trading conditions and practices. To improve market transparency and to provide stakeholders meaningful information, Urner Barry is requesting feedback on the following proposed changes to its:

## ***Egg Benchmark Relationships***

Urner Barry's benchmark egg quotations are represented as a cartoned egg (\$/dozen), delivered to a retailer or similar wholesale buyer. However, the majority of spot trading occurs from and between producers and wholesalers. These transactions take place from producer to another producer/co-packer, processor, or distributor, and are often executed directly between parties or facilitated through a broker. Eggs trade at several different levels throughout the processing chain, from nest run (ungraded eggs on paper or plastic flats) all the way up to a retailer's brand-name carton.

Subsequently, the post-purchase processing and packaging activities required to bring eggs to market can vary. Eggs already packaged in a carton, for instance, will almost invariably have more value than eggs that have yet to be run through grading machines and/or packed for sale at the retail level. To bring all these different transactions to a common basing point, Urner Barry uses trading relationships to "normalize" values for the standard packaging type represented in its price assessments. The result is a more robust quote, as reporters are able to observe, gather and report a more significant volume of transactional data.

Packaging and processing costs are not static, however; and because Urner Barry recognizes the importance of accounting for these cost fluctuations, our in-house economists and quantitative analysts have developed a proprietary model, using publicly available data, that will allow us to evaluate these relationships and implement necessary changes on an annual basis. Other relevant industry data may be used as a reference but will not be integrated into the model.

The following is Urner Barry's current Egg Benchmark Relationships:

<i>Urner Barry Benchmark Egg Relationships (Cents per dozen)</i>	
Carton	18 – 21
Eggs in Cases/Top Grade EIC	36 – 39 / 35 - 38
Eggs to be Regraded/Top Grade ETBR	40 – 43 / 39 – 42
Nest Run C1's	45 - 48

*EIC – Egg in Cases ETBR – Eggs to be Regraded*

Urner Barry intends to update these relationships, as follows:

<i>Urner Barry Benchmark Egg Relationships (Cents per dozen)</i>	
Carton	21 – 24
5 Dozen*	20 – 23
Eggs in Cases /Top Grade EIC	37 – 40 / 36 - 39
Eggs to be Regraded/Top Grade ETBR	42 – 45 / 41 – 44
Nest Run C1's	47 - 50

*\*Please note that an additional relationship has been added to reflect a growing volume of transactions for this pack type.*

This announcement is provided in accordance with Urner Barry's Methodology to provide advanced notice of potential changes in reporting methodologies. Stakeholders can provide input on the proposed changes during a comment period, which will take place from **January 29, 2024, to February 12, 2024**. Remarks will be published on Urner Barry's market reporting methodology page at [www.urnerbarry.com/markets/methodologies](http://www.urnerbarry.com/markets/methodologies). Pursuant to Urner Barry's methodology, subscriber comments, and Urner Barry's response to those comments, will be published unless anonymity has been requested by the commenting party.

Following the review period, Urner Barry will either move forward with the proposed changes and announce an implementation date, which will be updated in the Shell Egg Methodology accordingly, or propose a revised table, which would be subject to another two-week comment period.

For more information or to submit a comment, please email Karyn Rispoli at [krispoli@urnerbarry.com](mailto:krispoli@urnerbarry.com), or Russ Whitman at [rwhitman@urnerbarry.com](mailto:rwhitman@urnerbarry.com).

**UPDATE APRIL 2024: Urner Barry has decided to postpone the implementation of its planned relationship adjustments while it carefully evaluates industry feedback and considers the next steps.**