

United States Senate

WASHINGTON, DC 20510

May 8, 2025

Gail Slater
Assistant Attorney General
Antitrust Division
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Assistant Attorney General Slater:

We write to express support for the Department of Justice's reported investigation into anticompetitive practices in the U.S. egg industry. As you are aware, the sustained increase in egg prices has placed a significant financial strain on American families, particularly working-class households. While egg producers and trade associations point to recent avian flu outbreaks as the cause of high prices, we are concerned that record high egg prices reflect noncompetitive behavior among large producers. Egg prices began to drop from their record peaks only after the Department of Justice (DOJ) launched an investigation into whether large egg producers had engaged in anticompetitive practices to raise egg prices or restrict egg supply.¹ Large egg producers and trade associations have previously been found liable for price fixing.² Given this history, we urge DOJ to thoroughly review whether recent trends in egg prices reflect impermissible coordination among egg producers and trade associations.

Eggs have long been an affordable staple in Americans' diets. Yet, the cost of eggs reached an unprecedented high this year.³ The average retail price of a dozen eggs surpassed \$6 in March 2025, more than triple the cost in 2021 and more than twice the cost in 2024.⁴ In some areas, the cost even crept up to \$10 per dozen⁵ forcing some restaurants to charge surcharges on egg dishes.⁶ Rising egg prices hurt nearly every American family, with 97% of U.S. households purchasing eggs.⁷

Industry groups claim avian flu outbreaks were the sole source of recent egg price increases. It is difficult to square this claim with large egg producers' apparent record profitability as prices

¹ The Wall Street Journal, "Justice Department Opens Probe of Sharp Surge in Egg Prices," Dave Michaels and Patrick Thomas, March 7, 2025, <https://www.wsj.com/business/egg-prices-justice-department-probe-22d6a4f6>.

² Just Food, "US egg producers forced to pay \$53m in price-fixing case," Andy Coyne, December 4, 2023, <https://www.just-food.com/news/us-egg-producers-forced-to-pay-us53m-in-price-fixing-case/>.

³ ABC News, "\$70,000 more a year for eggs: How price hikes are hurting small businesses," Michael Pappano and Peter Charalmbous, March 8, 2025, <https://6abc.com/post/high-egg-prices-when-will-price-eggs-come-down-heres-how-hikes-are-hurting-small-businesses/15992006/>.

⁴ U.S. Bureau of Labor Statistics, "Average Price data (in U.S. dollars), selected items," <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-average-price-data.htm>.

⁵ The New York Times, "Egg Prices Are Soaring. Bird Flu May Not Be the Only Culprit.," Danielle Kaye and Julie Creswell, February 25, 2025, <https://www.nytimes.com/2025/02/25/business/egg-prices-bird-flu-producers.html>.

⁶ KFOR, "Waffle House adding surcharge for every egg ordered," Michael Bartiromo, Alix Martichoux, February 4, 2025, <https://kfor.com/news/waffle-house-adding-surcharge-for-every-egg-ordered/>.

⁷ Cal-Maine Foods, Inc. SEC. Form 10-K. Commission File No. 001-38695. FY ended June 1, 2024 at 5, <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000016160/000156276224000177/calm2024060110K.htm>.

were rising and avian influenza outbreaks were spreading. For example, Cal-Maine, which controls over 20% of the domestic egg market,⁸ reported gross profits of \$247 million, \$356 million, and a record \$716 million during the first three quarters of fiscal year 2025, each far outstripping the \$161 million the company made during the entire fiscal year 2021.⁹ Cal-Maine's gross profits last quarter were up nearly 230% compared to the year prior.¹⁰ The company more than doubled the net average selling price of its conventional eggs over that period,¹¹ while enjoying a 220% increase in margins between net average selling price of conventional eggs and production costs.¹² In February 2025, as egg prices rose almost a full \$1,¹³ the company announced a \$500 million share buyback program.¹⁴

This data suggests that major producers are charging more and pocketing more for their eggs, not experiencing plummeting profitability due to bird flu outbreaks.¹⁵ In 2015, the egg industry demonstrated the ability to replace millions of hens in a matter of months.¹⁶ Yet, large egg producers have not responded to the recent avian influenza outbreaks by increasing egg-laying populations. Instead, they have cut back on the number of young hens added to their flocks in past years.¹⁷

This would not be the first time major egg producers have artificially restricted supply to hike prices. A federal jury found that large egg producers and trade groups increased egg prices by conspiring to artificially limit the supply of hens between 2004 and 2008.¹⁸ In a separate lawsuit, the Texas attorney general alleged that Cal-Maine inflated egg prices after a 2015 bird flu outbreak even though none of the company's facilities were affected, and that it tripled its prices at the onset of the COVID-19 pandemic despite not experiencing any supply chain issues.¹⁹ With

⁸ Reuters, "High egg prices should be investigated, U.S. farm group says," Leah Douglas, January 23, 2023, <https://www.reuters.com/markets/us/high-egg-prices-should-be-investigated-us-farm-group-says-2023-01-20/>.

⁹ Cal-Maine Foods, "2Q 2025 Investor Presentation," January 2025, https://irp.cdn-website.com/79e86203/files/uploaded/CALM_FY25_2Q_Investor_Presentation.pdf; Cal-Maine, "Cal-Maine Foods Reports Financial and Operational Results for Third Quarter Fiscal 2025 and Announces Definitive Agreement to Acquire Echo Lake Foods, Inc.," April 8, 2025, <https://calmainefoods.gcs-web.com/node/13931/pdf>.

¹⁰ Cal-Maine, "Cal-Maine Foods Reports Financial and Operational Results for Third Quarter Fiscal 2025 and Announces Definitive Agreement to Acquire Echo Lake Foods, Inc.," April 8, 2025, <https://calmainefoods.gcs-web.com/node/13931/pdf>.

¹¹ *Id.*

¹² Cal-Maine Foods, "3Q 2025 Investor Presentation," April 2025, https://irp.cdn-website.com/79e86203/files/uploaded/CALM_FY25_3Q_Investor_Presentation.pdf; Cal-Maine Foods, "3Q 2024 Investor Presentation," April 2024, <https://irp.cdn-website.com/79e86203/files/uploaded/Fiscal%20Year%202024%203rd%20Quarter%20-%20Investor%20Presentation.pdf>.

¹³ U.S. Bureau of Labor Statistics, "Average Price data (in U.S. dollars), selected items," <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-average-price-data.htm>.

¹⁴ Financial Times, "Dynasty behind US egg giant looks to cash in as profits soar amid bird flu," Taylor Nicole Rogers, Patrick Temple-West, March 1, 2025, <https://www.ft.com/content/ef12d393-8a2a-44d2-b5d9-f143369d6697>.

¹⁵ Washington Post, "As egg prices soared at the supermarket, so did producer profits," Peter Whoriskey, April 8, 2025, <https://www.washingtonpost.com/business/2025/04/08/egg-prices-profit-increase-cal-maine/>.

¹⁶ Farm Action, Letter to Federal Trade Commission and Department of Justice, Angela Huffman, February 12, 2025, P. 4, https://farmaction.us/wp-content/uploads/2025/02/Final_FarmAction_FTC_DOJ_EggPricesLetter.pdf.

¹⁷ *Id.*; BIG by Matt Stoller, "Hatching a Conspiracy: A BIG Investigation into Egg Prices," Basel Musharbash, March 7, 2025, <https://www.thebignewsletter.com/p/hatching-a-conspiracy-a-big-investigation>; United States Department of Agriculture, "Egg Markets Overview," April 25, 2025, https://www.ams.usda.gov/mnreports/ams_3725.pdf.

¹⁸ Just Food, "US egg producers forced to pay \$53m in price-fixing case," Andy Coyne, December 4, 2023, <https://www.just-food.com/news/us-egg-producers-forced-to-pay-us53m-in-price-fixing-case/>; Supply Chain Dive, "Nestle, Kraft defeat egg producers in price-fixing case," Chris Casey, December 4, 2023, <https://www.supplychaindive.com/news/egg-producers-price-fixing-cal-maine-rose-acre-farms-kellogg-nestle-lawsuit-damages-scheme/700912/>.

¹⁹ The New York Times, "Are You Paying Extra for Eggs? Lawsuits Accuse Producers of Price Gouging," Neil MacFarquhar, May 6, 2020, <https://www.nytimes.com/2020/05/06/us/coronavirus-eggs-price-gouging-lawsuit.html>; Food & Water Watch, "The

just five companies controlling nearly half of the U.S. egg-laying flock, consumers have few alternatives if these companies artificially inflate prices.²⁰

We support DOJ's investigation into potential anticompetitive behavior by egg producers and urge the agency to consider whether a "precipitous drop" in egg prices just "days" after reports of the investigation broke suggests that egg producers had conspired to artificially inflate prices.²¹ Additionally, we ask that you provide answers to the following questions by May 23, 2025:

- According to DOJ's investigation, can the volume of recent price increases in the egg market be reasonably explained by bird flu-related supply chain disruptions alone?
- What was the cumulative increase in profits among the five largest egg producers (Cal-Maine Foods, Rose Acre Farms, Daybreak Foods, Hillendale Farms, and Versova Holdings) during the first three-quarters of FY2025?
 - During this period, what share of egg price increases can be explained by rising profitability and increased buybacks and dividends among these five egg producers?
- Have large egg producers' purchasing patterns of egg-laying hen populations in recent months reflected an effort to extend egg supply shortages and maintain elevated prices?
- According to DOJ's analysis, did sudden price decreases in the wholesale egg market following announcement of DOJ's investigation reflect price coordination among large egg producers?
 - In the two weeks following the announcement of DOJ's investigation, how did wholesale price trends among the five largest egg producers align or diverge from each other?

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Jim Banks
United States Senator

Economic Cost of Food Monopolies: The Rotten Egg Oligarchy," March 2025, https://www.foodandwaterwatch.org/wp-content/uploads/2025/03/RPT2_2502_EconomicCostEggs.pdf.

²⁰ Food & Water Watch, "The Economic Cost of Food Monopolies: The Rotten Egg Oligarchy," March 2025, p. 6, https://www.foodandwaterwatch.org/wp-content/uploads/2025/03/RPT2_2502_EconomicCostEggs.pdf; Farm Action, Letter to Federal Trade Commission and Department of Justice, Angela Huffman, February 12, 2025, pp. 4-6, https://farmaction.us/wp-content/uploads/2025/02/Final_FarmAction_FTC_DOJ_EggPricesLetter.pdf.

²¹ Financial Times, "Steep fall in eggs prompts questions for US producers," Taylor Nicole Rogers, March 29, 2025, <https://www.ft.com/content/2ac76276-16ad-4cc0-ae16-1c5a2ffc3f36>.