EU CAP Network - 3rd Meeting of the Farm to Fork Forum

Swedish Egg Prices

Dr Susanna Sällström Matthews, expert economist
16th November 2023
Where does the money flow?

Market power
Scarcity
Drought, bird flu, salmonella and war in Ukraine

– impact on the supply chain
Egg prices in Sweden 2022 and 2023

Egg Prices in Sweden, 2015=100
Differences in price responses to cost increases and egg shortages

Price increase 2021-2023

<table>
<thead>
<tr>
<th></th>
<th>Producer</th>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>SHORTAGE</td>
<td>200%</td>
<td>15%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21%</td>
<td>39%</td>
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What happens in a well functioning market?

Shortage → Price increase → Higher profit

Problem solved → Investment
Why does this not happen for eggs in Sweden?

◊ Market power downstream is like a dam that prevents the money to flow to the egg producers in times of egg shortages.
What makes markets work?

Prices should be used, not abused

- Competition law

Profits should be invested to enable production

- Knowledge and understanding
If the flow of money is not blocked it would lead to

- Lower consumer prices
- Higher profits for healthy hens
- Growth of live stock of healthy hens
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