

February 18, 2025

The Honorable Brooke Rollins
Secretary
U.S. Department of Agriculture
1400 Independence Ave SW
Washington, D.C. 20250

RE: Urgent Action Needed to Address Rising Egg Prices and Supply Chain Challenges

Dear Secretary Rollins,

On behalf of the National Grocers Associations (NGA), we extend our deepest congratulations on your confirmation as our nation's secretary of the U.S. Department of Agriculture (USDA). NGA is proud to be the voice of the 21,000 independent, local and regional supermarkets across the country. Our member retailers and wholesale distributors who supply the industry, are job creators and the cornerstone of local American communities from coast to coast.

As you begin your tenure, American families and the independent supermarket industry are experiencing historic challenges in the egg market driven by the rapid spread of Highly Pathogenic Avian Influenza (HPAI). This has driven record-high prices and caused ongoing supply shortages, which has strained the ability of independent grocers and wholesale distributors to source eggs at stable and affordable prices. As a result, retailers are often absorbing significant financial losses to shield their customers from the highest prices to the extent possible, but as you can imagine, this is not a viable long-term solution and can even have the unintended effect of driving up demand.

We have been working closely with our partners, including the egg producers, who have taken historic steps to protect their flocks and limit the spread of HPAI. Despite their best efforts, the virus continues to spread, leading to the ongoing culling of flocks across the country. It's apparent that this crisis is going to impact us for many months to come, putting continued pressure on the limited supply of eggs and keeping prices high for consumers.

As USDA continues to respond to this ongoing crisis, we offer several recommendations for your consideration:

Ensure Retail Flexibility for WIC Stocking Requirements

The ongoing egg shortage has made it increasingly difficult for independent retailers and their distributors to consistently stock eggs that meet each state's food package requirements for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). To help ease this burden, we urge the USDA to:

- Immediately direct all state WIC agencies to provide flexibility for retailers regarding egg stocking requirements, including waiving requirements for minimum stocking requirements for fresh eggs.
 - Use the authority granted by the Access to Baby Formula Act to provide the flexibility necessary to supply eggs for all WIC participants.
- Keep the aforementioned waiver in place until the current supply crisis subsides, ensuring that retailers are not penalized for supply chain constraints beyond their control.
- Direct WIC agencies to provide flexibility regarding price controls for eggs so retailers are not compensated far below their acquisition costs.

Protect Consumers and Stabilize the Egg Supply

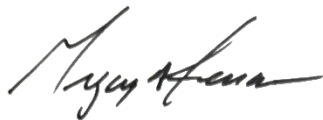
We recognize the complexity of addressing current egg supply disruptions, particularly when considering the ongoing threat of HPAI. To ensure the long-term stability of the domestic egg supply, we recommend the USDA:

- Leverage all scientific resources available to mitigate the effects and spread of HPAI and protect U.S. poultry populations.
- Pursue and support innovative solutions that can bolster the resilience of the domestic egg supply while maintaining U.S. poultry and beef exports.
- Work closely with industry stakeholders and experts to identify strategies that can accelerate recovery and improve supply chain stability to mitigate future crises.

We are thankful for your leadership as we navigate these challenging times and are appreciative of the USDA's efforts to ensure a stable food supply for all Americans.

We stand ready to collaborate with you and President Trump on solutions that support both consumers and independent grocers.

Sincerely,



Greg Ferrara
President and CEO
National Grocers Association