## Egg prices are not so sweet for the bakeries of Los Angeles

Local bakers are in a rut as they find ways to manage the burden and produce the beloved sweet treats of L.A.

## By Alyssa Peccatiello



Mumu Bakery Cafe in Koreatown offers a variety of cookies and cakes, including their popular Castella bread. Screenshot from <a href="https://www.mumubakerycafe.com/taiyakis">https://www.mumubakerycafe.com/taiyakis</a>.

Each day, L.A. bakery owner Jung Eun Kang checks the cost of eggs at the grocery store, hoping to see that the number has decreased. However, egg prices are at an all time high nationwide this year as bird flu outbreaks have decimated chicken populations.

The cost of a dozen eggs is currently at a national average of \$5.90 compared to \$2.99 in March 2024, according to data by the U.S. Bureau of Labor Statistics. In L.A., prices have reached upwards of \$10.99. Talk about "golden" eggs!

These rising costs impact individual consumers, but it's the bakeries and breakfast joints that rely on dozens and dozens of eggs to sustain their businesses. In L.A., bakeries are "scrambling" to adjust to these higher costs and their impact on baked goods.

In Koreatown, egg prices have taken a toll on the bestselling mini Castella bread of Mumu Bakery Cafe.

"We calculate everything, like ingredients, but since the price is going up, it is hard to make it unless we increase the price of our product," owner Jung Eun Kang said about the spongy Japanese cake bread.

Kang said that the bakery was purchasing nearly 600 eggs each week prior to the bird flu outbreaks and price increases. Now, they're getting by with roughly 300 eggs.

With the cost of a dozen eggs doubling and nearly tripling since 2024, bakers must either raise the price of their products, or work with less eggs and produce less goods.

Mumu Bakery Cafe has now been making less of its mini Castella bread, which relies on eggs. Kang hopes that she will not have to increase its price.

However, not all bakeries are impacted by this egg price crisis.

"We have our own supplier, so our egg price didn't change at all," said Jun Z., the owner of Minon Cake in Chinatown.

Jun's bakery is known for its elaborate and detailed <u>custom cakes</u>, which range from a two-year-old's truck-themed birthday cake, to one with pink mermaid tails and a crown, or even one resembling a cup of bubble tea.

Despite their business using around 180 eggs per week, Jun said they haven't been hit by the impact of the bird flu crisis because of their reliance on a private supplier.

"If you have an existing relationship established with a private supplier, kudos to you," said USC Marshall Professor Nick Vyas, who is also the founding director of the Randall R. Kendrick Global Supply Chain Institute.

Vyas said that generally, small bakeries do not establish relationships with a supplier, but that it's a "great idea."

For bakers like Kang at Mumu Bakery Cafe, the price of eggs at the grocery store are passed onto their baked goods and require tough decisions on whether or not they can take on this financial burden.

"Egg is a pretty substantial ingredient in the bakery business, so I don't think a bakery owner would be able to absorb the entire increased cost of eggs," said Vyas. "They would have to pass some portion of that increased cost to the consumer."

However, he added that some bakeries or restaurants may use this crisis to increase costs and improve their profit margins.

In a <u>similar story</u> by The New York Times, Mark Burgos of La Flor de Yucatán Bakery in Pico-Union detailed how his business has dealt with the increased cost. Burgos said that the bakery has been purchasing significantly less eggs per week and has used liquid eggs when necessary or available.

Bakers in L.A. may continue to grapple with the high cost of eggs in the coming months, yet the future isn't entirely bleak.

Egg prices appear to be going down, with <u>some grocery stores</u> in L.A. now offering a dozen eggs for under \$7 compared to \$10-\$12 as seen in January and February.

"To replace egg-producing birds from baby chicks, it's about a nine month to eleven month cycle," said Vyas. He estimates that it could take between seven and nine months for the egg supply and prices to stabilize and return to what they were before the bird flu outbreaks.

"When I see the newspaper, they say egg prices might be coming down, and at this moment, the egg prices are going down," Kang said. However, if the cost continues to increase, Kang said that she might increase the price of their popular mini Castella bread.

L.A. consumers and bakers alike may continue to deal with the higher cost of eggs, but egg-laying chicken populations may bounce back and provide a gradual ease in costs over time.

For now, bakers like Kang try not to "crack" and increase the price of their beloved baked goods.