

Agriculture

Dynasty behind US egg giant looks to cash in as profits soar amid bird flu

Daughters of Fred 'Big Chicken' Adams stand to reap hundreds of millions with company poised to buy their stake



US retailers have begun rationing egg sales to customers amid a bird flu outbreak that has decimated flocks and limited supply © Reuters

Taylor Nicole Rogers and **Patrick Temple-West** in New York

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The family that controls the largest US egg seller is seeking to cash out amid a bird flu crisis that has driven prices to all-time highs.

The four daughters and son-in-law of Cal-Maine Foods founder Fred R Adams Jr reached an agreement with the company to convert their super-voting shares to common shares, relinquishing control ahead of a “potential diversification of their individual financial portfolios”, according to a securities filing by the company.

The family’s stake in Cal-Maine is held through a shell company called Daughters LLC. At Friday’s close, the stake is valued at nearly \$532mn, including \$434mn in super-voting shares and another \$98mn in common shares.

At the same time, Cal-Maine, based in Ridgeland, [Mississippi](#), said it would undertake a \$500mn share buyback programme, its first in two decades, and disclosed it could use the initiative to “repurchase some of the family members’ common shares” as they sold their holdings.

The transaction appeared to smooth the process for the family to pare back or sell its entire stake. said Ben Silverman, vice-president of research at VerityData. “It’s

not unusual for a company to buy back shares from a major shareholder,” he added.

Company representatives declined multiple requests for comment.

US egg prices [reached \\$8.58 per dozen](#) in wholesale markets this week amid a severe bird flu outbreak, a 70 per cent increase from year-ago levels, according to a commodity price information service Expana. The outbreak has led farmers to cull 100 million chickens, turkeys and egg-laying hens in the US since 2022, according to the US agriculture department, creating an egg shortage that experts forecast to keep prices near all-time highs for months to come.

Amid the crisis, Cal-Maine Foods last month reported \$356mn in gross quarterly profits from a year prior, a fourfold increase.

Adolphus “Dolph” Baker, the son-in-law of Adams and chair of Cal-Maine’s board, said in a statement that the family’s moves to give up control of the company “are personal decisions made in connection with our own respective financial and estate planning efforts”.

Adams, known to friends as “The Big Chicken” according to [his obituary](#) in a local newspaper, was a six-foot-four offensive and defensive end for his high school football team. After college and a short career in feed sales, he founded Cal-Maine Foods in 1957, leasing land outside Jackson, Mississippi, to start his first farm.

By the time he died in 2020, it had grown into the [producer](#) of one in 10 eggs supplied in the US. His four daughters — Luanne Adams, a psychologist and board member of the Washington Ballet; Nancy Adams Briggs of Virginia; Laurel Adams Krodell of Tennessee; and Dinnette “Dea Dea” Adams Baker, of Mississippi — have controlled the company since. Dolph Baker is Dea Dea’s husband.

The super-voting shares have the same value as common shares but carry 10 times the voting rights. The agreement would reduce the family’s voting power from 53.2 per cent to 12 per cent.

Shares have risen 56 per cent in the past year, touching a record high in January and closing at \$90.39 on Friday.

Advocates for small farmers have accused Cal-Maine of limiting egg supplies in the US. The company was among a group of egg producers found liable for price fixing in 2023 and was ordered to pay \$53mn in damages to food manufacturers

including Kraft Foods, General Mills and Nestle. Cal-Maine and the other egg producers have filed court papers seeking a new trial and contesting the judgment.

“Dominant egg producers — particularly Cal-Maine Foods — have leveraged the crisis to raise prices, amass record profits, and consolidate market power,” advocacy group Farm Action wrote in a letter to the Federal Trade Commission and Department of Justice. “The slow recovery in flock size, despite historically high prices, further suggests co-ordinated efforts to restrict supply and sustain inflated prices.”

The US announced a \$1bn effort this week to curb avian influenza and lower egg prices, including importing eggs from other countries and curtailing exports to mitigate the shortage.

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