www.WATTAgNet.com JULY 2010 volume 115 number 7

WATT Egg Industry

115th ANNIVERSARY

News for the Egg Industry Worldwide

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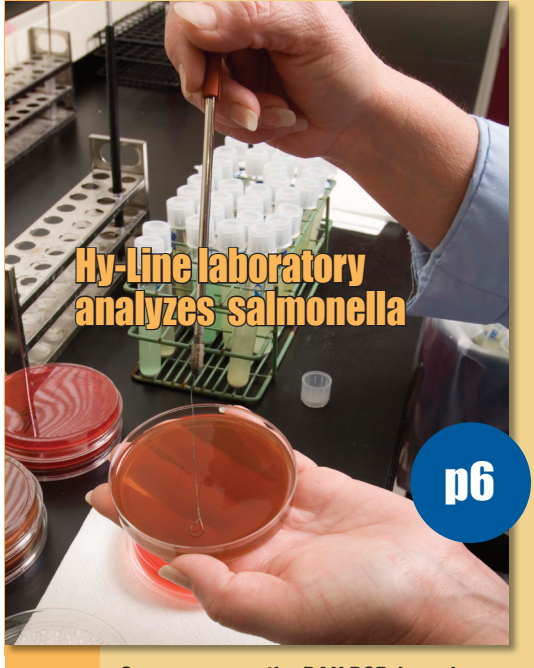
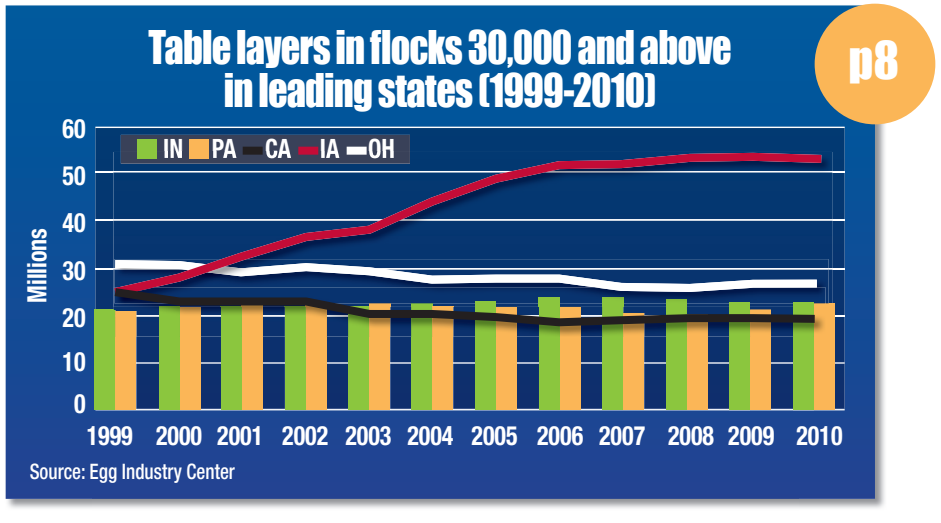


Company uses the BAX PCR-based assay for salmonella detection



The estimate of national table-egg flock for June is 279.2 million hens. Source: USDA NASS Chickens and Eggs

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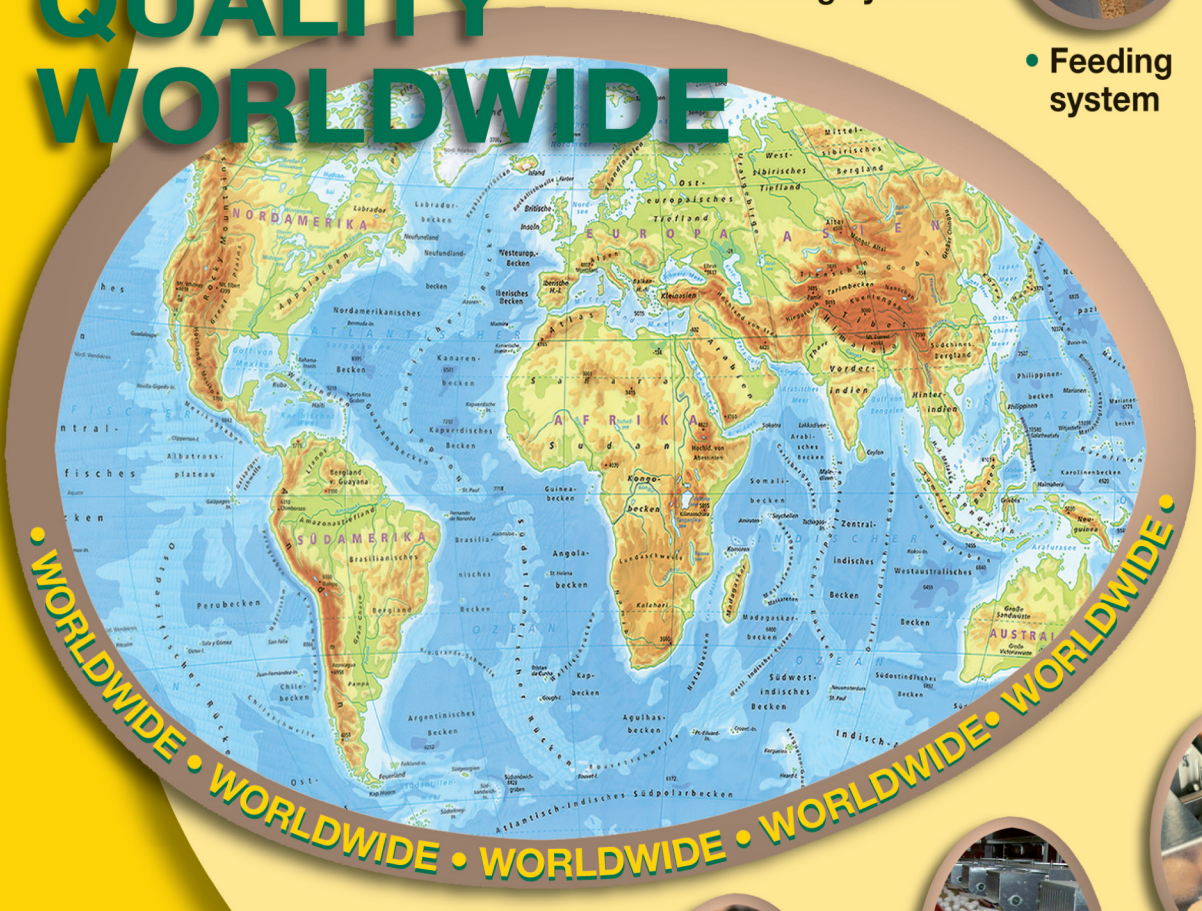

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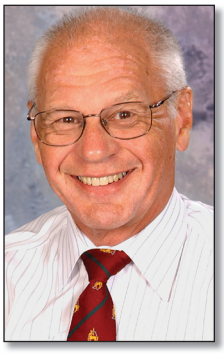
EDITORIAL

BY DR. SIMON M. SHANE

Distortion of reality by Columbus Dispatch

Newspaper reporter misconstrues salmonella statistics

It appears that journalist Alan Johnson of *The Columbus Dispatch* has been seriously misled by the proponents of banning cages in the state of Ohio. In a biased report which appeared in the May 30 edition of his newspaper, Johnson distorts statistics and plays fast and loose confusing salmonellosis as a generic infection with egg-borne Salmonella enteritidis (SE) as a specific condition. It is sheer sophistry to cite the Centers for Disease Control and Prevention figures of 76 million food-borne illnesses, 325,000 hospitalizations and 5,000 deaths in the context of commercial egg production in Ohio.



Simon M. Shane

Obviously primed by Dr. Michael Greger, the medical expert advising the HSUS, Johnson has merely reproduced questionable data in the public domain. Johnson either failed to realize or report that egg-borne salmonellosis is responsible for less than 30 outbreaks in the U.S. annually among a population of over 300 million consumers supplied by 275 million caged hens. A second distortion is the misquotation that "as many as 350,000 of 7 billion eggs produced in Ohio each year may be contaminated with salmonella". This figure is in all probability extrapolated from the "one in every 20,000 eggs" which was derived in the late 1980s and early 1990s when SE was more prevalent and flocks were not subjected to either vaccination or monitoring. The probability of contracting SE by consuming eggs from a flock which is shown to be free of infection is absolutely zero. Period. What is important is the actual number of infected flocks among our extensive population.

As a practicing specialist in poultry medicine I am aware that the prevalence rate of SE in large commercial complexes in Ohio is extremely low. One must also distinguish between environmental contamination which usually but not invariably denotes intestinal colonization and flocks which contain individual hens with systemic (organ) infection. There is a far lower probability of vertical infection in 2010 from flocks which are housed in facilities shown to be contaminated with SE, based on environmental swabs, than in the 1980s. This is based on epidemiologically sound precautionary measures including effective vaccination of flocks, a robust cold chain from production through to sale and the use of pasteurized egg liquid by food service and catering operations. It is ironic that the HSUS will play the food safety card in promoting their November 2010 ballot initiative as this was the counter-argument advanced by the opponents of California Proposition 2. Invoking SE to support either standpoint is scientifically untenable. It is more egregious when distortions are used to misinform and sway the emotions of voters. The Ohio Poultry Association and the Ohio Farm Bureau would be well advised to gather scientific evidence and retain advisors and spokespersons who can counter the misleading, epidemiologically unsustainable and blatantly propagandistic contentions of HSUS with regard to SE as an alleged "welfare" consideration.

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BPA WORLDWIDE

EU research on microbial quality of eggs raises questions

Results and conclusions must be carefully evaluated

By Simon M. Shane

Dr. K. de Reu of the Institute for Agriculture and Fisheries Research in Melle, Belgium, reviewed current EU research on the microbial quality of eggs derived from a range of housing systems at the 2010 EGGS! program organized by VIV and sponsored by WATT.

Shell contamination varies

During the past five years field studies have been conducted in the EU to evaluate shell and interior quality under both experimental and field conditions from hens housed in conventional cages, enriched colony cages, aviaries and floor systems. Because of the differences in experimental design, comparison among trials and interpretation of results is difficult.

Based on the sources cited it was possible for Dr. de Reu to draw the following conclusions:

- ✔There is no significant difference in the level of shell contamination between eggs produced in conventional cages and eggs laid in the nest boxes of enriched cages.
- ✔Eggs laid in other than the nest box area of enriched cages are significantly more contaminated than eggs laid in the nest area.
- ✔Floor eggs have a significantly higher level of contamination than nest eggs in floor systems irrespective of whether communal nests or aviaries are installed.

Nutrition research reported at VIV EGGS!
www.WATTAgNet.com/15961.html

Early studies on broiler breeders during the 1970s in the U.S. confirmed that eggs derived from units with litter floors have significantly higher levels of aerobic bacteria than eggs laid on wire floors. From 85% to 100% of floor eggs derived from non-caged systems have either fecal or litter contamination of shells and are regarded in the EU as unsuitable for human consumption.

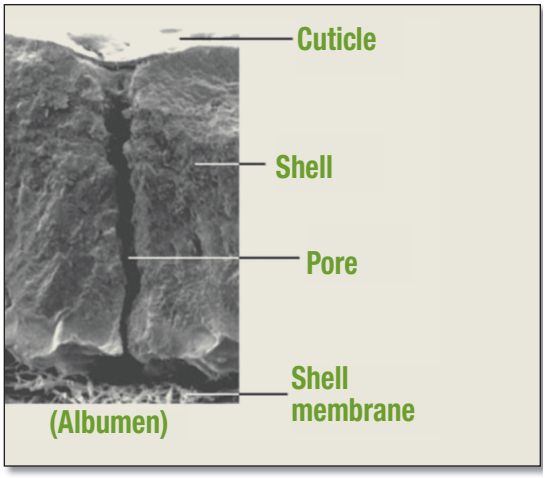
The level of bacteria in the environment of flocks influences shell contamination. On average bacterial level of air from aviary houses was up to 100 times higher than the air in houses with either conventional or furnished cages.

An interesting observation comprised a review of the level of shell damage from alternative systems. Studies conducted in 1999 documented from 5% to 14% of eggs with shell cracks from conventional cages. This is higher than levels of damage recorded by U.S. in-line complexes. The proportion of cracked eggs ranged from 0 to 24% in the EU trials with the highest levels in furnished cages. Damage was attributed to incorrect adjustment of the egg saver wires which prevents damage as the egg rolls from the cage floor on to the collecting tray.

Salmonella status evaluated

Field studies were conducted in Belgium to determine the level of *Salmonella enteritidis* (SE) contamination in relation to housing systems. The most recent data cited involved a prevalence study conducted in 2006 which demonstrated a salmonella recovery rate of 0.8% with 90% of the egg isolates identified as SE. Projecting this prevalence rate to the U.S. would result in the daily production of over 1.6 million eggs contaminated with SE. It is obvious that contamination rates in Belgium and Holland are far higher than in the U.S. It is known that SE contamination in flocks in southern Europe is even greater than in northern Europe, invalidating any comparisons relating to the EU and the U.S.

Data from limited field surveys were presented suggesting that the highest levels of recovery of SE were obtained from hens in conventional cages. This is completely counterintuitive since cage systems inhibit coprophagy and these flocks should in fact have had lower levels of contamination. The EU field studies were obviously flawed as there was no indication of SE vaccination status, whether hens were in fact intestinal carriers or whether flocks had been stressed to induce vertical transmission.



Egg shell cross-section from Lisa Lucore's N.C. State University master's thesis.

The conclusion that "it is highly unlikely that a move from conventional cages to alternative cage systems and non-caged housing systems will result in an increase in salmonella infection and shedding, rather the opposite is expected" is not supported by either the surveys or by common sense. Many factors influence both intestinal colonization and vertical shedding.

Carefully evaluate results

The overall message from EGGS! is that results must be carefully evaluated.

Interpretation should incorporate considerations such as:

- ✔housing systems,
- ✔industry structure,
- ✔egg quality assurance programs,
- ✔the National Poultry Improvement Plan,
- ✔universal adoption of efficient vaccination and management practices. EI

Conventional eggs purchased 40-to-1 over cage-free

Checker scanner data shows huge consumer preference margin but results lack farmers' market purchases.

By Simon M. Shane

U.S. consumers paid $1.63 per dozen during 2009 compared to up to $5.81 in EU nations.

Consumers overwhelmingly select conventional eggs over cage-free eggs by a 40-to-1 margin, according to a survey conducted by the United Egg Producers. The survey derived from checkout scanner data obtained from Information Resources Inc. corresponds closely with the presumed proportion of caged and non-confined flocks in the U.S.

It was further noted that organic eggs only represent 1% of the total of shell eggs purchased. This result may in fact be biased by the fact that supermarket checkout data was used for the survey. The IRI would not have had access to sales at farmers' markets where virtually all eggs are organic or at best cage-free. It is unknown whether the survey involving 34,000 grocery, drug and mass merchandise stores across the U.S. was truly representative of consumers.

The data documented a one year decline of 1.7% in sales of organic and free-ranged eggs, almost balanced by a 1.3% increase in cage-free eggs. This suggests a 23% shift from organic to cage-free, possibly in response to price sensitivity in a recessionary environment. The report noted that the differences were too small to be statistically significant.

Compare numbers to statistics reported earlier this year
www.WATTAgNet.com/14881.html

Wording sways survey results

The report states that one third of Americans would opt for enriched colony housing to produce eggs for their state if they had a choice, according to a survey conducted by the Bantam Independent Research Agency. Data of this type can be discounted since the validity of responses is limited by both the demographic surveyed and the way in which the questions are worded. Simplistic surveys are often designed only to provide the results required by a sponsor.

The only way of truly evaluating consumer preference is to conduct a conjoint analysis in which respondents are provided with a number of alternative purchase decisions incorporating attributes such as housing system, price, quality and safety. The sensitivity of the survey can be enhanced if two consecutive analyses are conducted before and after appropriate education involving either a written description of housing, with a definition of terms or a short video. Conjoint analysis is more expensive than simple store-front questionnaires but provides valuable information concerning the motivation of consumers which can guide investment decisions by the industry.

> ***Conjoint analysis is more expensive than simple store-front questionnaires but provides valuable information concerning the motivation of consumers***

Price holds importance

The fact that the results reported by the UEP makes note of the fact that U.S. consumers paid $1.63 per dozen during 2009 compared to a range of $4.90 to $5.81 in EU nations suggest that price is extremely important. It is not valid however to simply compare the price of eggs in the U.S. with other nations since average earnings are markedly different in nations which are contrasted.

The more valid comparison would be the proportion of food expenditure on eggs, adjusted for per capita consumption. EI

Hy-Line laboratory analyzes salmonella

Company uses the BAX PCR-based assay

By Neil P. O'Sullivan, Janet E. Fulton and Kelly Bassett

View of fully equipped diagnostic and quality assurance laboratory equipped to perform conventional microbiology and PCR assays for salmonella

In the business of poultry breeding it is essential that the salmonella status be determined as quickly and as regularly as possible. Breeder companies operate within the guidelines of the National Poultry Improvement Plan (NPIP), which requires that all birds used to produce hatching eggs be free of *Salmonella enteritiditis* and *S. typhimurium*.

Historically, the detection and identification of *Salmonella spp*. has been achieved with conventional bacterial culture. Environmental samples from the environment of chicken houses, egg collection belts, hatchery waste and installations are collected using swabs. Samples are then placed into specialized selective media which promote the preferential growth of salmonella species in the presence of potential competing enteric bacteria. Samples of this media are then transferred to selective growth media in petri dishes or agar slopes that contain indicators that change color only

Conventional microbiological procedures require time to obtain results and rely on the skill and diligence of technicians for operation and interpretation of results

Automated rapid immune-based diagnostic procedures use spectrophotometric readers with computerized depiction and storage of results of salmonella assays

Dr. Neil P. O'Sullivan is director of research and development for Hy-Line International; Dr. Janet E. Fulton is a molecular biologist with Hy-Line; and Kelly Bassett is the technical services laboratory manager at Hy-Line.

in the presence of salmonella. Additional culture and testing is then required to determine which species of salmonella are present. These multiple culture steps require 7 to 10 days to determine if salmonella was present in the environmental swab and to subsequently identify the species.

Identifying infected flocks

Infected flocks should not be used as a source of breeding stock, as their chicks could be contaminated by the vertical route and serve to disseminate infection through hatcheries and rearing farms by the horizontal route. It is essential that the presence of the pathogen should be identified as rapidly as possible so that appropriate preventive action can be taken. It is also important to identify the specific salmonella that is present since there are over 2,000 different serotypes. Some of these occur naturally in the environment and are not harmful to either humans or chickens.

The polymerase chain reaction (PCR) procedure is now available for rapid detection of the DNA of salmonella. PCR tests are rapid and are also very sensitive and can even detect salmonella that does not grow well on artificial media in the laboratory. Salmonella can also be detected using an immunologic antibody detection method in association with conventional microbiologic culture.

The Hy-Line International laboratory uses the BAX PCR-based assay developed by DuPont. This assay allows detection of salmonella within 32 hours of sampling, thus providing rapid turnaround time necessary for a breeding company or a commercial application.

Swabs are taken routinely for salmonella analysis. Once every week in houses with pure line birds, flocks undergoing evaluation or reproduction for grandparents are sampled for salmonella. Swabs consist of a sterile gauze pad which is moistened and transported in 10 ml of double strength skim milk (DSSM) to the laboratory. Swabs are obtained at various locations within a chicken house including egg belts, nests, floors, dust, fans and pits. Hatcheries are also subjected to routine monitoring for the possible presence of salmonella. In addition, swabs are obtained from meconium, feed, mice and flies to be screened for *Salmonella spp*.

Currently, the majority of samples that are routinely monitored for salmonella are analyzed using either the Dupont Qualicon BAX DNA-based PCR salmonella protocol or the traditional culture method. If a sample is negative on the BAX PCR test, it is considered negative and testing is complete at that point. Random negative BAX PCR tests are plated on traditional media in order to verify that no positive samples are being overlooked.

Learn more about controlling salmonella
www.wattagnet.com/Poultry_USA/15158.html

A salmonella-positive sample on the BAX PCR test is confirmed using the traditional culture method. Many non-urgent routine samples are analyzed using the traditional culture method with delayed secondary enrichment if needed. All positive samples are serotyped to rule out Group D salmonella and isolates are referred to the National Veterinary Service laboratory for confirmation of identity. EI

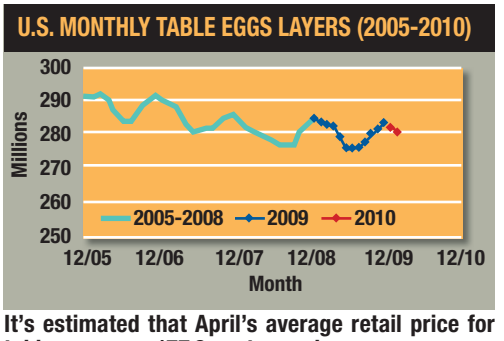
Post-Easter dip levels out eggs prices

Production costs and egg prices for May are similar to May 2009 and April 2010 statistics.

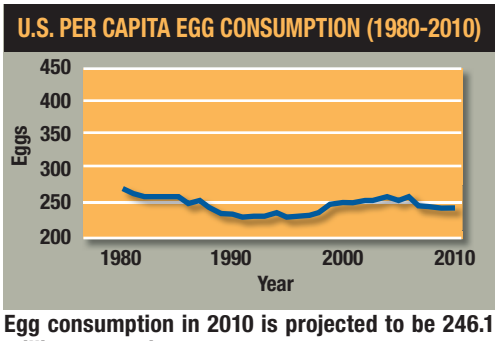
Maro Ibarburu, the recently appointed program manager for the Egg Industry Center located at Iowa State University, has released the April-May Statistical Report.

The following is a summarization of the data given in the report:

- ✔The U.S. estimated cost of production for May 2010 was 56.6 cents *ex farm* unchanged from the previous month. The five-month average production cost for 2010 approached 58 cents per dozen, virtually unchanged from the 58.9 cents per dozen recorded during the first five months of 2009.
- ✔The May *ex farm* egg price estimated by the USDA-NASS was 44.1 cents per dozen, compared to 59.9 cents per dozen for April and a five-month average of 75.6 cents per dozen for 2010 to date. The egg price for May 2010 was 0.1 cent per dozen less than the comparable month in 2009.
- ✔The margin represented by "income minus cost" for May dipped below breakeven at -12.5 cents per dozen. For the first five months of 2010 the average margin was 17.9 cents per dozen. The May margin was 15.5 cents per dozen below April 2010 but was 7.6 cents per dozen higher than the seasonal post-Easter dip in May 2009.
- ✔In evaluating the low margin for May it was noted that feed cost was 33.6 cents per dozen, pullet depreciation at 8.3 cents per dozen with other fixed and variable costs of 14.7 cents per dozen, applying standard cost factors used by the EIC. These values remained virtually unchanged through the first five months of 2010. Contribution per hen, based on May figures turned negative at -23.6 cents which followed the 6.2 cent value in April and 92.9 cents recorded in March. The cumulative five-month hen contribution now stands at 167.0 cents.
- ✔The Urner Barry simple average price for six U.S. regions, assuming 80% large eggs, was 45.7 cents per dozen for May compared to 56.9 cents per dozen in April. The five-month simple average UB price was 74.3 cents per dozen.
- ✔In reviewing retail prices for table eggs, the Bureau of Labor Statistics and the Department of Commerce estimated an April average of 177.9 cents per dozen, 2.4% lower than the March 2009 value of 182.2 cents per dozen.
- ✔The large to medium white egg price spread over six regions was 10.8 cents in May compared to 9.2 cents in April with an average of 17.6 cents per dozen for the first five months of 2010. Regional spreads ranged from 9.3 cents per dozen in the Northeast to 13.1 cents per dozen in the South Central region.
- ✔During May 2010, layer feed averaged $193.0 per ton, which is slightly lower than the five month average of $196 per ton based on six regions. During May the price range among regions was $181.4 per ton in the Midwest rising to $220.0 per ton in California.
- ✔The May 2010 differential in feed price contributed to a spread of 7.9 cents per dozen in production cost, incorporating a standard value of 14.7 cents per dozen for labor, interest and miscellaneous inputs. The



It's estimated that April's average retail price for table eggs was 177.9 cents per dozen.



Egg consumption in 2010 is projected to be 246.1 million per capita.

See the outlook for the rest of the year
www.WATTAgNet.com/16423.html

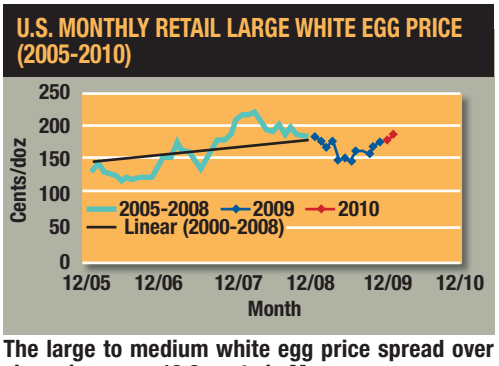
Egg Industry is indebted to Don Bell and Maro Ibarburu for the collection and presentation of detailed data which form the basis of this summary.

Midwest produced for 53.9 cents per dozen compared to the California production cost of 61.8 cents per dozen, amounting to a difference of 7.9 cents per dozen. The simple average of the six U.S regions in April was 58.7 cents per dozen.

✔For the first four months of 2010, commercial-layer eggs in incubators and straight run hatch have shown an increase over corresponding months in 2009. As of April 1, egg-type pullet hatch increased by 11.0% over April 2009 to 23.75 million.

✔Pullets to be housed in future months based on the five months-previous hatch and incorporating a 5% mortality factor, projects a range of increases in placements from 15.75 million pullets in April to 21.44 million pullets in September 2010. This value is approximately 4.9 million pullets greater than the monthly average of the years 2005 through 2009 at 16.5 million.

✔For April 2010, the USDA-NASS estimated the national flock at 281.1 million hens, which is 1.4 million more than in March 2010 but 1.8 million less than in April 2009. Applying the University of California model based on USDA-NASS data for chickens and eggs it is estimated that the September 2010 flock will attain 218.7 million hens aged less than 72 weeks. This is based on the assumption of 9% mortality from 20 through 72 weeks of age. As at the end of April 2010, 24.8% of the national flock was over 72 weeks of age. With the exception of March 2010, which was an aberration, the seasonal pattern of a decline in molted flocks from January through April appears to be holding. In 2008, 32.9% of the national flock was over 72 weeks of age.



The large to medium white egg price spread over six regions was 10.8 cents in May.

✔The most recent estimate of the national table-egg flock for June is 279.2 million hens. This number is expected to increase steadily through 282.8 million in September to 291.8 million in December. Given current projections of prices which are functions of supply and demand, flock sizes could be trimmed by depletion or increased by retention or molting subject to available capacity including re-caging. Prolonged depression in price beyond current estimates will inevitably result in a decrease in hen numbers as flocks are depleted at a rate faster than projected.

✔The EIC projects an Urner-Barry Midwest large price of 90.6 cents/dozen in June with triple digits in November and December attaining 120 cents per dozen. The post-January drop will occur in 2011 with April forecast at 94.7 cents per dozen.

✔Rate of lay for the first four months of 2010 attained 76.1%. This is higher than 2009 during which an average of 75.2% was recorded. The positive difference of 0.9% in production rate relates to a daily volume approaching 7,000 cases.

✔Egg consumption in 2010 is projected to be 246.1 million *per capita*, almost 1.8% lower than the 247.9 eggs per capita recorded in 2009. Over the past seven years the highest *per capita* consumption was recorded in 2006 at 257.8 eggs.

✔According to the USDA Foreign Agricultural Service 426,000 cases of shell eggs were exported during the first three months of 2010 with Hong Kong (37%), Canada (24%) and China (8%) representing the most significant importers. Export of shell eggs for the first three months of 2010 represented 0.80% of U.S. production.

✔Exports of egg products and shell equivalents represented 1,097,000 cases for the first three months of 2010, representing an average of 2.06% of U.S. production. EI

Progress on implementation of the FDA Egg Safety Final Rule

United Egg Producers' recent presentation leads to questions of rule's impartiality

By Simon M. Shane

Significant issues were raised during a recent presentation in Atlanta regarding introduction and implementation of the FDA Egg Safety Final Rule without satisfactory assurances that the program would be implemented equitably, impartially and without disruption.

The important areas which were reviewed at the meeting organized by the UEP included:

✔**SE prevention plan**

Every farm must have a written *Salmonella enteritidis* (SE) prevention plan specifying supervisory personnel and noting biosecurity procedures, surveillance protocols and recorded results

✔**Environmental sampling and detection of SE**

Procedures to conduct an environmental assay using drag swabs over accumulated manure in pits, egg belts, manure belts, fan blades and floor litter were described. It is essential that standard procedures should be followed since improper technique may result in false positive results due to cross contamination. The accurate labeling of specimens is critical since in the event of a positive result there should be no question as to the flock or farm involved.

A list of approved laboratories to assay drag swabs and egg pools was provided together with the cost of assays

✔**Age of sample flocks**

FDA guidance designates testing to be carried out at 14 to 16 weeks of age or approximately two weeks before transfer to laying houses if the conventional 17 week industry placement practice is followed.

The second sample is required between 40 to 45 of age and

If flocks are molted, between 4 to 6 weeks after commencement of production in the second cycle

It is prudent practice to assay chick box papers and to determine the SE status of a flock two weeks prior to depletion

✔**Procedures in the event of a presumptive positive environmental test**

Details regarding sampling of egg pools ("FDA roulette") are specified. It is noted that this is the most contentious component of the entire program. If any of the egg pools are positive then all eggs from the confirmed positive flock released to the market have to be recalled and an appropriate report is required in the computerized FDA database.

If producers do not wish to market shell eggs from the presumptive positive flock for the duration of the testing period, as recommended by UEP, eggs must be diverted to breaking and pasteurization with the producer bearing the loss.

It is noted that application of PCR assay would expedite the entire process and would be both superior in terms of sensitivity and specificity in detecting SE in egg pools.

✔**Registration requirements**

Shell egg producers holding more than 3,000 laying hens on a specific farm must register with the FDA using the prescribed procedure

✔**Disinfection following a positive SE assay**

After depletion of a flock proven to be infected with SE, appropriate cleaning of housing and equipment followed by disinfection is required

✔**Refrigeration**

Eggs must be held and transported at a temperature of 45 F commencing 36 hours after they have been laid. This should not be a problem for in-line units but will create difficulties for off-line operations, especially if eggs are transported over extended distances.

It is anticipated that the FDA will issue a guidance document for the egg industry following the format of the comprehensive Small Entity Compliance Guide dated April 2010. This document can be used as a boiler plate to develop farm procedures.

Farm inspections are regarded as a potentially confrontational component of the FDA Egg Safety Final Rule. Some parallels can be derived from introduction of the USDA-FSIS, HACCP System in red meat and poultry plants in the 1990s. The industry at that time was in effect ahead of regulators with respect to understanding and implementing HACCP. Since industry took the initiative, there were few problems with regard to administration of the system by relatively inexperienced and untrained and occasionally over-zealous inspectors. In the case of the FDA Egg Safety Final Rule it is acknowledged that the agency has little or no experience on farms and has apparently delayed training inspectors. Their programs have allegedly been developed with minimal communication and interaction with the U.S. egg industry.

The FDA intends to impose two types of inspections. The first will be conducted as a routine to assess compliance with the Regulation. Risk-Informed inspections will be more comprehensive and will follow either a traceback or evidence of non-compliance. Key areas which may result in a Risk-Informed inspection include failure to implement a written SE-prevention plan, failure to purchase SE-monitored pullets, neglect of the farm's biosecurity, rodent control or cleaning program and failure to maintain a designated surveillance/monitoring program with relevant records.

The UEP has functioned as the representative of the industry in attempting to interface with the FDA. As an observer of the process it is apparent that the FDA has embarked on the Egg Safety Final Rule without a thorough appreciation of the realities of commercial egg production and certainly with untrained per-

sonnel and limited resources. In the light of the low incidence rate of egg-borne salmonellosis since the mid 1990s, the initiative appears to have a basis in politics rather than as a necessary public health measure.

Given the rising incidence rate of paratyphoid salmonellosis associated with spices, produce and contaminated surface water, introduction of the Final Rule in July 2010 is somewhat reminiscent of returning the bolted horse to its stable after recapture and then carefully shutting the door. The regulations as framed display a lack of appreciation of modern technology including PCR assay, failure to appreciate the extent of effective vaccination of flocks over a decade and disregard of the effect of a 20-year adherence to EQAP programs. With all the problems of the environment, the economy, health and poverty the U.S. government seems more concerned with implementing a cosmetic program rather than devising a broad and effective approach to suppress food-borne diseases based on risk analysis and application of modern technology. Can the public anticipate a return in the form of improved health from the considerable expenditure of money and effort on the part of the industry and the overstretched regulatory agency involved?

See what Dr. Shane has to say about how the FDA interacts with the egg industry
www.WATTAgNet.net/15154.html

INDUSTRYNEWS

FDA's Reportable Food Registry now available

A producer with a confirmed SE-positive isolation from any of four sequential egg pools must acknowledge the finding on the FDA Reportable Food Registry for the food industry website.

The website also incorporates an FAQ section describing the Reportable Food Registry and a draft guidance document containing 13 sections describing the electronic portal. The website incorporates the involvement of federal, state and local public health officials.

Egg export statistics for Q1

Combining data released by the Egg Industry Center and the U.S. Poultry and Egg Export Council derived from USDA-ERS and Department of Commerce figures, it is possible to quantify recent egg exports. For Q1 of 2010, 426,000 cases of shell eggs were exported with a value of $8.4 million representing an FOB price of 59¢ per dozen. This volume is an 8% increase over the corresponding Q1 of 2009. For the first quarter of this year, exports represented the equivalent of 2.08 million hens assuming 80% flock production. Effectively 0.7% of the output of the national flock is exported in shell form.

During the first quarter of 2010 export of egg products was equivalent to 1.1 million cases representing a 70% increase over the first quarter of 2009. The value of exports for the first quarter was $30.4 million which equates to an equivalent shell egg value of 84¢ per dozen from which yield loss and the cost of processing and handling must be subtracted.

Adjusting USAPEEC data to the first quarter of 2010, it is calculated that the FOB value of egg products exported was $2,958 per metric ton. The USAPEEC figures for the first 4 months of 2010 show a 6.5% decline in unit revenue compared to the corresponding 4 months of 2009 ($3,174 per metric ton).

For the first 4 months of 2010, Hong Kong and Canada combined represented 57.8% of shell egg exports. For the same period, Japan and Canada combined accounted for 45.8% of egg product shipped.

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Agricultural committee delays Massachusetts welfare bill

The New England Brown Egg Council announced that Massachusetts House Bill 815, which is considered to promote the HSUS agenda regarding confinement of poultry and livestock, has been assigned by the Agriculture and Natural Resources Committee to "study" status.

This places the bill in limbo and effectively prevents passage during the current legislature. At the same time, the action restrains HSUS from beginning a ballot initiative.

Lobbying efforts by the New England Brown Egg Council were influential in the action of the committee chairman. The results of the referendum in Ohio and the gubernatorial, state representative and senate races in Massachusetts will determine the direction of future Legislation.

Connecticut representative pushes legislation supporting one agency

Rep. Rosa DeLauro (D-Conn.), an advocate of a single federal food safety agency, indicated that she will reintroduce legislation to consolidate the activities of a number of departments and agencies currently with overlapping jurisdiction over production and safety of food.

This action follows the release of "Enhancing Food Safety: the Role of the Food and Drug Administration" prepared by the National Academy of Sciences and Institute of Medicine. The report stresses the need to apply risk-based analysis and to identify critical control points in the entire chain of food production.

Concern regarding a single food agency has been expressed at a number of levels including the current Obama Administration and in Congress. Reluctance to proceed with this innovative reorganization is based on traditional turf barriers but other considerations include lobbying efforts by both industry and consumer groups.

Experience with establishing the Department of Homeland Security confirmed the difficulties associated with combining departments due to a loss of expertise as senior administrators leave to take retirement or enter the commercial sector and lack of interagency formal and backchannel communication. EI

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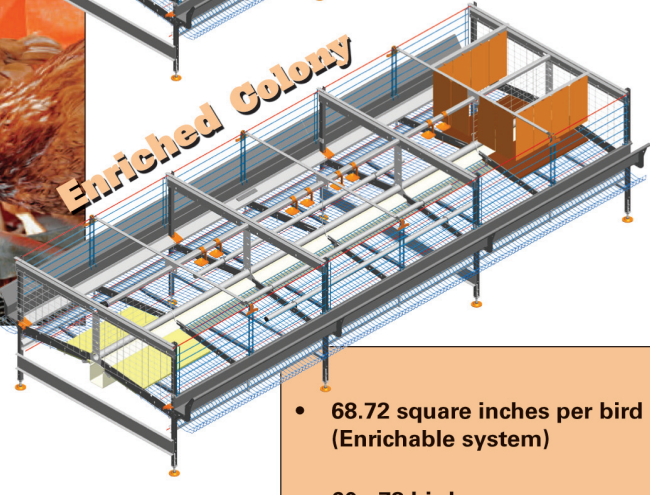

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