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2008: Lower Prices than '07 Likely, but Still a Good Year for Producers

Egg Price/Supply Relationships—10 years of change, 11 years of prices

	UB MW Lg (cts./doz)	Price Change %	Eggs Produced (billions)	Production Change %	USDA farm prices- all eggs U.S. (cts./doz)
1996	90.9		64.7		66.5
1997	83.7	-7.92	65.5	1.24	57.8
1998	78.6	-6.09	67.1	2.44	52.1
1999	68.1	-13.36	70.0	4.32	43.6
2000	71.2	4.55	71.4	2.00	46.9
2001	69.3	-2.67	72.9	2.10	42.9
2002	71.0	2.45	73.8	1.23	42.0
2003	92.2	29.86	74.5	0.95	
2004	86.7	-5.97	76.4	2.55	53.4
2005	68.5	-20.99	76.9	0.65	
2006	75.4	10.07	77.7	1.04	40.7
2007	117.0	55.17	76.3	-1.80	
2008	104.0	-11.11	77.7	1.83	est

Source: Don Bell, University of California-Riverside. Note: Both 2007 and 2008 prices listed are estimates.

By Edward Clark, Editor

Next year is likely to be another profitable year for egg producers, though not quite as profitable as 2007. The big reason why: the all-time record prices of 2007 are likely to spur investment in new facilities and producers will have the incentive to increase their houses to full capacity.

In his annual outlook completed in late October, Don Bell, poultry specialist emeritus at the University of California-Riverside, forecasts the average Urner Barry large Midwest egg price for 2008 to be \$1.04/dozen, 11 cents below his estimated price for where 2007 will end up: \$1.15. His forecast for 2008 would still be 29 cents per dozen higher than 2006's 75 cents per

dozen, and 35 cents higher than 2005 levels. In other words, 2008 is likely to be another good year for egg producers.

Bell says that profits in 2007 have been the highest in recorded history. For example, Midwest profits in September were 50 cents per dozen, or 90 cents per bird, and

in Bell's view, "you'll likely never come up with anything like that again." He calls profits of those levels "fantasy land, and we're about to leave fantasy land."

In contrast with this year's 2 percent reduction in the flock size, Bell looks for a 1.8 percent increase in the flock size in 2008, and he says that "a downward curve in price with increasing production is what everyone expects." Bell's forecast calls for bird numbers the end of 2008 to total 294.1 compared to 287.6 the end of this year. He adds that more birds, plus a hatch that is up, equals a lower price. In making price estimates for 2008, Bell used history as a guide, but excluded 2007 because it was such an exceptional year. In his view, producers will likely get houses "as full as they can," even though "with fewer birds the industry would make more money."

All this said, Bell notes that making estimates for 2008 is very difficult because 2007 has been such an extraordinary year. He adds that production changes account for only 25 percent of price changes, so many factors will end up influencing prices in 2008.

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No Expansion Yet

There is no indication that producers are expanding yet, however. USDA's latest Chicken and Eggs report showed that egg-type layers as of Oct. 1 were 2 percent lower than the same period in 2006.

Looking at the top 10 states in table egg layers in flocks 30,000 and above, only two, Iowa and California, showed an increase in layers comparing September 2007 versus the same month in 2008. Iowa was up 2 percent; Ohio, down 7 percent; Indiana, down 1 percent; Pennsylvania, down 4 percent; California, up 1 percent; Texas, down 1 percent; Nebraska, down 8 percent; Florida, down 1 percent; Minnesota, down 5 percent; and Georgia, down 2 percent.

The department's Economic Research Service predicts egg production to be 1.7 percent higher in 2008 from this year's levels. Production this year will be 1 percent lower than 2006, USDA forecasts.

On price, USDA forecasts next year's average to be 89 to 97 cents per dozen, New York, down from \$1.03 to \$1.05 this year, 71.8 cents in 2006, 65.5 cents in 2005, and 82.2 cents in 2005. Looking at the first half of 2008, USDA forecasts prices to range between 95 cents and \$1.03, New York, per dozen, in the first quarter, and 83 to 89 cents

It's hard to look forward to 2008 without examining what caused 2007 prices to be so strong.

➤ **More information from October's Egg Industry at www.WATTpoultry.com/eggprices2007.aspx**

Concerns for 2008

Gene Gregory, president and CEO of United Egg Producers, Atlanta, says that while he expects 2007 to be a very strong, profitable year, he "has some concerns" about the first six months of 2008. One reason why, he says, is the increase in pullets hatched that may start coming into producer flocks. That said, there did not seem to be a rapid buildup as of late October.

Reasons contributing to the 2007 record-high egg prices and high producer profits, he says, include:

- The ethanol boom that pushed feed prices to high levels;
- The impact of UEP's animal welfare program on flock numbers;
- The summer's heat, which reduced production and reduced egg size;
- The inventory of dried eggs, down considerably compared to 2006 levels; and,

2004, have all played a role in 2007 looking so positive.

The industry has been able to better manage its production and its inventories; trades of surplus product are finding the right market homes, he says.

Customer demand has been surprisingly steady in spite of the high prices. It helps that all proteins and dairy products are commanding higher prices from consumers at the same time. Williardson states, "Increasing worldwide demand has made a difference in our outlook. Unbridled expansion has not been the norm this year with the uncertainty over animal welfare issues and hopefully, some long memories of the response in 2004.

"With hen numbers projected to stay even through the fourth quarter (compared to 2006), profitability should continue for the rest of 2007 and into the first quarter of 2008. After that point, I believe we will be under pressure to evaluate our production/demand balance again—and volatile grain markets will be part of that evaluation."

Larry Seger, president of Wabash Valley Produce, Dubois, Ind., says that a combination of events has caused the industry to be down 1.5 percent to 2 percent on the supply side. The biggest impact, he says, is from the "sharp spike up in grain prices that has kept the industry on edge." Other factors, he says, include the egg products side of the business being very good and we've used up any dried inventory we had in 2005 and 2006."

Agreeing with Gregory, Seger, chairman of United States Egg Marketers, notes that the industry "exported more shell eggs and egg products."

Seger says that he expects egg production to increase, but not a "wholesale run" like what occurred in the 1980s and 1990s. The industry has become more responsible on the production side, and, he says, the animal welfare guidelines will keep production from

➤ ***The all-time record prices of 2007 are likely to spur investment in new facilities and producers will have the incentive to increase their houses to full capacity.***

in the second quarter.

On demand, the department forecasts commercial disappearance to be up 1 percent in 2008 from this year's levels, but down 2.4 percent this year from 2006 levels, and lower than 2004 and 2005 as well.

- A substantial increase in exports. .

Craig Williardson, president and CEO of Mo-Ark, LLC, Chesterfield, Mo., says that discipline, balance, steady demand, and of course, the normal cyclical factors following a very poor market period starting in mid-

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increasing substantially. All this has been occurring, he says, “with demand that is as strong as it’s ever been.”

Supply Will Increase Slightly

As a result of such record prices, he adds, “our supply will increase ever so slightly as

Questions for 2008

Don Bell, poultry specialist emeritus at the University of California-Riverside, says there are far more questions than answers about what producers should expect in 2008. These include:

- 1 Will the unknown causes of extraordinary prices still work in 2008?
- 2 Will the industry continue the slow-down of new construction?
- 3 Will selective exporting still be used to pump in extra income during traditional slow market periods or will the industry think it’s not necessary?
- 4 Will the industry spend the current windfall in profits to upgrade their facilities or will they continue to place increased chick orders as they are currently

doing? At current prices, everyone can justify expanding.

- 5 How will they interpret their higher feed costs probability for the future? Are current higher costs permanent?
- 6 Will the current discussion about non-cage systems delay construction of new houses because of the uncertainty of the issue?
- 7 If producers equate higher feed prices to the need to reduce their use of molting, how will this affect the entire industry—more chicks, more houses, higher rates of lay, etc. But, is this reasoning sound?
- 8 And finally, how long will it take to get back to the cost of production again? The industry has remarkable turn-about skills in six-months or less.

we head into 2008.” Seger also says the opportunity is there to export more eggs partly due to high grain prices. It might be better for countries to import the finished product than feed, he says. In particular, Europe and the Middle East offer export opportunities.

All interviewed for this article, including Paul Sauder, president of R.W. Sauder, Lititz, Pa., say that while not a major factor, the uncertainty that producers face regarding the battle over animal welfare rules—that is, whether cages will or will not be allowed in the future—is a factor keeping expansion lighter than normal during the run of high egg prices.

In Sauder’s view, “2008 will be good (on prices and profits), I just don’t know if as good as 2007.”

Mark Oldenkamp, vice president of Northwest Operations for Valley Fresh Foods, Woodburn, Ore., says the potential is there for 2008 “to be a very good year, providing we don’t get carried away. Our history is to lack the discipline (to over expand during times of high prices), but I think the industry is learning how not to overproduce.” **EI**



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▶ Cage-Free Eggs Cost 84% More

Regular retail egg prices and cage-free eggs moved in the opposite direction in the third quarter 2007, according to the American Farm Bureau Federation's (AFBF) market basket survey. The cost of one dozen regular eggs was \$1.51, down 5 cents compared to the second quarter, while the average price for cage-free eggs increased 56 cents to \$2.78/dozen. Cage-free eggs cost 84 percent more per dozen than regular eggs in the third quarter.

"The widening gap between conventionally produced and cage-free eggs reflects variations in costs for different production practices," says AFBF economist Jim Sartwelle. "Although food and fiber producers typically are not able to pass higher production costs along to consumers, it is happening to some extent with cage-free eggs, which command a miniscule market share," Sartwelle says.

AFBF conducts an informal survey each quarter as a tool to reflect retail food price trends. Overall, the 16 basic grocery items tracked were up 2 percent from the second quarter, with regular whole milk showing the largest quarter-to-quarter price increase, while pork chops showed the largest decrease in price.

▶ Animal Rights' Groups Target California

The Humane Society of the United States (HSUS), Farm Sanctuary, and other animal rights organizations have launched a petition drive in California that they hope will place a ballot measure banning caged layers before state voters in 2008. To have the measure placed on the Nov. 8 ballot, animal welfare groups need to collect nearly 434,000 signatures by Feb. 28, according to an Associated Press article. HSUS claims that 650,000 signatures will be turned in to qualify the Prevention of Farm Animal Cruelty Act for the ballot.

The measure would require that egg-

laying hens, calves raised for veal, and breeding pigs be able to turn around and extend their limbs.

"They want to end animal agriculture as it exists," Gary West, a Modesto, Calif. egg producer and new chairman of the board of the United Egg Producers, says in the article. "They don't want you to eat eggs, eat pigs, any of that," he says.

▶ Eggland's Best to Receive Certification

Eggland's Best Inc. will be certified by the American Humane Association. First developed in 1999, American Humane's assessment and certification process will verify that Eggland's Best Cage Free and Organic egg products are produced humanely and according to the association's animal welfare guidelines.

Eggland's Best will begin rolling out the brand's newly labelled "American Humane Certified" cartons nationwide to grocers' shelves in the coming months for both Organic and Cage Free varieties.

"In keeping with the highest standards of Eggland's Best, we are pleased that the American Humane Association is providing independent certification that Eggland's Best chickens are being treated humanely," says Charles Lanktree, Eggland's Best president and CEO.

The American Humane Association certification program requires that animals be free to enjoy a healthy life, benefiting from disease and injury protection, have rapid disease diagnoses and treatment, and that they have access to fresh water and a diet that maintains full health and vigor. They also must be free to express normal behaviors and live in an appropriate and comfortable environment that includes sufficient space, proper facilities, shelter, a resting area, and company of their own kind.

▶ Eggs Nearly a Perfect Food

Eggs are getting better press these days. One example: an article in the *Edmonton Journal* that calls eggs nearly a

perfect food. The article says that eggs, introduced to the western world in the fifth century, contain almost every nutrient essential to sustaining life.

"The protein in egg white is of such high quality that it has become the standard against which other proteins are judged," the article states, and the egg yolk "contains a great whack of vitamins and minerals including vitamin A, B12, D, E, riboflavin, folic acid, iron, zinc and phosphorus, selenium, and choline. It is one of the few sources of vitamin K."

The article continues that eggs weren't perfect, so two decades ago, food scientists discovered that they could modify the egg to add value, thus creating designer eggs, such as eggs with higher levels of omega-3 fatty acids, and vitamin-enhanced eggs.

▶ Santa Cruz Condemns Caged Layers

The Santa Cruz, Calif., City Council, has joined nine other cities in condemning caged layers. In a resolution that was unanimously passed in late October, city leaders opposed keeping egg-laying hens in battery cages, and urged consumers to buy cage-free eggs. The Council called caged layer systems "cruel and inhumane." Other California cities passing similar resolutions are Berkeley, and West Hollywood.

▶ Correction

The article entitled "Traceability: Very Important, but Analyze Costs" in the September incorrectly stated that three U.S. producers have installed EggFusion etching systems. In fact, seven systems have been installed, and 18 million eggs were etched for customers during September. In addition, the company disputes the statement in the article that the experimental use of eggs as "oval billboards" was apparently ineffective since there has been no further adoption of the technology for promotional purposes. Roger Tye, vice president of marketing for EggFusion, says several campaigns have been run by different companies and organizations. **EI**



UEP Braces for Animal Welfare Battles

Current conditions offer good as well as disturbing news for egg producers, according to speakers at the United Egg Producers annual meeting last month in Chicago. On the plus side are the sustained excellent prices for eggs enjoyed by all. On the negative side, a great deal of work remains to be done on environmental and animal welfare issues.

UEP outgoing Chairman Dolph Baker discussed the excellent year egg producers have had price wise, while President and CEO Gene Gregory commented on the challenges facing states where animal activists are attempting to either place a cage ban on the ballot, as is the case in California, or create a legislative action to eliminate cages. Some state challenges so far have been won by the industry, but the California issue seems to have gained some momentum and will require some extra work in the near future by the entire industry, he said.

Changing Ag Climate

Charlie Arnott, president of CMA Consulting, discussed the changing climate in agriculture. He emphasized the word “trust” and how consumers currently view industries they buy from. Today, the most credible entity is oneself, followed by one’s doctor, with government and industry down on the list. This points out the need to gain the trust of consumers when promoting products and, according to Arnott, science-based knowledge is not the whole answer.

He feels agriculture has lost its “social license” and the industry needs to work to regain it with a new set of rules. Arnott’s organization, the Center for Food Integrity (CFI), has a mission to build consumer trust. He encourages

all agricultural groups to join CFI.

Answering a question from the board, Arnott suggested that a frontal attack on the animal activists is probably not worthwhile. He emphasized again, as was pointed out several times during the meeting, that the Humane Society of the United States (HSUS) alone has funding of more than \$120 million and 10 million members. This is formidable opposition. He said farming is now considered industrial and is no longer the traditionally known farm model. He added that the consumer is looking for permission to believe and the industry needs to regain this trust.

Legislative Issues

A panel discussion relating to state legislative issues was moderated by Kevin Haley, UEP counsel. Members of the panel were Debbie Murdock, Pacific Egg and Poultry Association, California; Gary West, California; Chris Herr, Pennsylvania; Derek Yancey, Colorado; Randy Green, UEP Washington Representative; and Mitch Head, with the Golin Harris public relations firm.



Kevin Haley,
UEP Attorney

All participants are involved in issues facing their states and the efforts of animal welfare activists to influence how eggs are produced. In California, activists are getting signatures to include a ban on cages on the November 2008 ballot. Various options are available to producers there, all of which will take additional funding. There is a tough battle looming in California for egg producers, with the entire industry

joining in.

In Pennsylvania, the activists lost their case following an incident where a member of their group was hired by a producer, did a story with photos and then was found out. The bottom line of this was expensive as it went to court and took some time to unravel.

In Colorado, as discussed by panelist Derek Yancey, the state legislature is considering introducing legislation to ban cages, based on lobbying efforts of animal activists. The state has a strong Right-to-Farm Act on the books but much education through radio and TV will be necessary to stop anti-cage challenges.

UEP is helping educational efforts by conducting a meeting in Denver in November with foodservice and grocery personnel. A similar meeting in Arizona helped defeat the animal welfare activity in that state. As part of the meeting in Arizona, attendees were taken to an egg production complex and shown the actual operation. A similar visit is planned for the Colorado event. Producers have been encouraged to show decision makers their farms. It has proven to be an effective tool.

All States to be Targeted

Haley, explained that UEP held a brainstorming session in Atlanta prior to this meeting. Several pertinent factors emerged from this meeting that relate to the activists’ efforts with the states. He commented that sooner or later all states will be targeted, including those that do not have egg production. The industry needs to cultivate and educate all local and state decision makers before the activists do, he said.

Haley added that the industry needs to understand and monitor egg activist activities better, and work with local

organizations, such as Farm Bureaus. The egg industry also needs to work with all groups, not just the people that are openly sympathetic to its cause. Haley emphasized that some liberal groups are on the side of animal agriculture. These groups need to be identified and worked with. Do not concede the moral high ground to the activists, he said.

Factors that enter into the overall equation and should be presented include the scientific facts that have been obtained, the food safety advantages that exist, environmental controls, and the positive economics that exist when eggs are produced in cages.

Haley said that if cages are eliminated, egg prices will soar, affecting those who are least able to afford the nutritional value they offer. Haley pointed out that there are many avenues to take to convince the powers that be that current egg production is done properly and should continue for the good of the people. For example, changing how it

is done would put many farmers out of business and cause the loss of jobs. No politician wants this, he said.

Proactive on Legislative Front

Green said that UEP can be a great help by being proactive on the legislative front. For example, he said, UEP can help with model statutes designed to preserve the ability to use cages for production. The purpose of this alternative legislation is two-fold, to provide a positive strategy and to require activists to debate on industry terms.

Head outlined a new proactive and interactive approach for the industry. All future discussions at the meetings will involve public relations efforts in some form. Golin Harris will continue with the core projects and state campaigns. The firm will study consumer confidence research and act upon it. As of now, consumer trust is declining, according to Head. Reversing that trend will be a prime area of focus in the future. Some change of direction of

the mechanisms of communication are needed, he said.

Going Global

Fred Cook, president and CEO of Golin Harris, said that all U.S. companies should be going global, or go home. Jobs are leaving the country and multi-cultural shifts are taking place. He said that in 2050, one out of four U.S. residents will be Hispanic and it is important to change to accommodate this trend. Also beginning to be an influence now, the aging population will continue to change in the next 40 to 50 years. Their spending patterns are different. Aging people now want things that make them happy and industry needs to learn how to talk to them. Another concern, Cook said, is that worldwide healthcare costs will double by 2050. An interesting statistic, he noted, is that in Japan, workers versus retirees are about 50/50.

Cook commented on the public's perception of various groups in the

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| UEP Braces for Animal Welfare Battles |

United States. Number six on the favorable list is the HSUS, higher than the American Heart Association. This points up the fact that the egg industry, as well as others, need to build up their images before being attacked. As was discussed several times at this meeting, people are fed up with problems in government and business and are looking for truthful, concise, clear statements from real people with authentic stories. Cook stated that the winners will be the ones that understand these shifts. He called it an opportunity in marketing and public relations.

It will become even more necessary to find credible sources of information and understand the means of communicating in an effective way. Gregory followed Cook's remarks by stating that the industry needs to find new ways to get the truth out to the right people and that opponents are using all of their resources to push their cause.

Committee Reports

Public Relations Committee Chairman Paul Sauder presented, and the board passed, two motions from their committee meeting: a 1 cent per bird assessment for public relations to assist state and local programs, and an authorization for UEP staff to solicit funds from members and UEA for additional public relations activities.

Mark Oldenkamp, Chairman of the Animal Welfare Committee, reported on subjects discussed at the committee meeting, with two motions passed at the board meeting: assessments for the certified program will remain the same for 2008; and the updated 2007-08 UEP Animal Husbandry Guidelines were approved. The guidelines, as explained by Oldenkamp, are a work in progress as research continues by the scientific committee. Oldenkamp also remarked about the successful consumer affairs meeting held in Arizona and the one scheduled for Colorado in November.

The 2007-08 Guidelines includes a cage-free section and will include a breeder/hatchery/pullet section. There was also a great deal of discussion at the committee meeting about the audit programs.

Gene Gregory suggested pet owners should be approached for support due to the fact that animal activists are advocating that all pets be spayed and neutered. He also stated that a retail conference such as those in Arizona and Colorado be held in California.

Cage-Free Issues

Several pages listing problems that could occur with birds not housed in cages were distributed. Attendees were urged to know and understand these problem areas and use the information in the fight against the anti-cage efforts.

The information is broken down into two sections: the first concerns birds confined in a building, the second is for birds with outside access.

Potential cage-free problems range from diseases being more easily contracted when birds are on litter, to air quality management difficulties, to less control over internal parasites and rodents. Not all problems are public health issues but all could impact animal welfare concerns.

Environmental Issues

UEP Vice President Chad Gregory asked producer attendees how many completely understood the rules of the Clean Water Act as it may apply to them. No one raised a hand. UEP has published a booklet called Water Care, Clean Water Act CAFO Rule Readiness Evaluation.

The research project, monitored by Purdue University and covering three areas of the country, is going well with information going to the Environmental Protection Agency (EPA) quarterly. Members of the committee from different states were asked to comment on their experiences with water concerns and their state activities. There were very diverse remarks with some states being very active while others were relatively quiet.

It is evident that all animal species in the various states are being affected with environmental issues. Two motions from the environmental committee were passed by the board. One authorized more money for the legal fund to challenge EPA in their "duty to apply" position in the CAFO final rule, and the second allotted additional funds to the legal fund to challenge a congressman's effort to remove "Navigable Waters"

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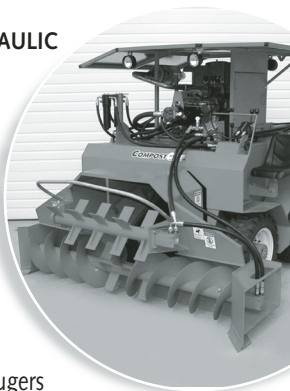
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Marketing

The Marketing Committee report was given by Chuck Elste. He said that bird numbers are down, creating the good prices. Higher feed prices could be a reason for lower numbers as producers are reluctant to increase their flocks. He said there could be some additional export restrictions coming which would make it costlier to ship overseas, as well as potential increased energy costs. All could make producing and marketing eggs more expensive.

Motions from the marketing committee included a vote to support the USDA Shell Egg Demand Indicator and a second for members to commit to a donation of eggs to the Harvest Food Bank Network at Easter.

American Egg Board (AEB) President and CEO Joanne Ivy reported that AEB activities are progressing and the organization is searching for new ways to reach the public regarding the con-

sumption of eggs. AEB will re-launch the "Incredible Edible Egg" campaign with a new, simplified nutrition-based message. Some of this promotion will utilize the AEB web site. Advertising media will include television, radio, banner ads, billboards, carton displays, and magazines. Other programs by AEB include work with Foodservice and Retailers Accounts, Production Education, Funding Research and Integrated Nutrition.

Don McNamara, head of the Egg Nutrition Center (ENC) gave attendees an update on the activities and programs of ENC as well as the Egg Safety Center.

The Egg Safety Center has completed work on a manual dealing with crisis communications in the event of a major avian influenza outbreak. The organization also maintains an AI website.

The ENC is responsible for many publications and papers ranging in topic from heart health, to diets and infant nutrition, and how they relate to egg use. The group will also have a book pub-

lished in 2008 on these and other egg nutrition subjects. The ENC has over a dozen research projects underway at leading universities, covering various egg use topics. The ENC sponsors and monitors pre-doctoral fellowship programs to help prepare future leaders in the egg industry.

New Officers for 2008

The following UEP officers were appointed for 2008:

Gary West of J. S. West Milling Co. took over as Chairman from outgoing Dolph Baker, Cal-Maine Foods; Bon Krause, 1st Vice Chairman; David Lathem, 2nd Vice Chairman, and Craig Willardson, Secretary. Amon Baer was re-appointed sheriff.



Gary West,
UEP New Chairman

FI



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Egg protein power rediscovered

By Terry Evans

Egg protein contributes to satiety, lean tissue retention, and muscle tissues accretion. “These benefits offer you great promotional potential,” Don McNamara, executive director of the Egg Nutrition Center, said at the recent International Egg Commission meeting in Budapest, Hungary.

“Currently one of our biggest health concerns in the western world is obesity. Protein can play an important role in helping to control this problem, through its satiety effect and ability to retail muscle tissue when you try to lose weight,” he added.

McNamara said that latest research findings have confirmed that:

- Protein exerts an increased thermic effect as compared to fat and carbohydrates;
- Higher protein diets increase satiety as compared with lower protein diets;
- Higher protein diets facilitated weight loss (greater loss of fat versus lean),
- Egg yolk protein had a satiety effect greater than previously predicted, and
- Adding eggs to a low-calorie diet could enhance weight loss and increase dietary compliance.

Proteins Suppress Food Intake

McNamara said dietary proteins suppressed food intake more than fats or carbohydrates. “Dietary proteins contribute to satiety and delay a return to

Editor’s Note: The following articles and photos, by Terry Evans, are from the recent International Egg Commission meeting in Budapest, Hungary.



Don McNamara

hunger,” he said. Proteins also support the maintenance of lean tissue mass and the loss of adipose tissue. Protein digestion also leads to physiological and metabolic changes associated with food intake regulation. In addition, dietary protein and exercise facilitates weight loss.

A diet with higher protein

etary protein. Not all proteins are the same. In a study comparing ham with egg on the intake of glucose and insulin, the egg intake lowered the blood glucose response more than ham. Eggs also lowered the insulin response more.

Egg yolk is better than egg white with regard to the impact on glucose and insulin. Whole egg and egg yolk intake

▶ In a study comparing ham with egg on the intake of glucose and insulin, the egg intake lowered the blood glucose response more than ham.

and reduced carbohydrates combined with exercise improves body composition during weight loss. McNamara said that high protein diets spare lean body mass loss, enhance glycemic control, increase thermogenesis and satiety, and reduce weight gain. Apart from the quantity, the quality of protein impacts satiety and weight loss.

He went on to explain that there was a difference between fast and slow di-

lowers the blood glucose and blood insulin responses more than egg white. And, egg yolk intake induces a delay in gastric emptying more than egg white.

McNamara concluded by reminding everyone that there are at least a dozen good reasons to eat eggs: they offer high-quality protein, are nutrient dense, have essential fatty acids, are high in choline, are lutein rich. They are versatile, affordable, delicious, satisfying, convenient, and can be used as a single serving or as a great snack food. **EI**

Eggs Can Promote Weight Loss

A study was conducted that tested satiety and caloric intake at lunch after an egg versus bagel breakfast. The egg breakfast comprised two eggs, toast and jelly, while the bagel diet involved a bagel, cream cheese, and yogurt.

The study concluded that:

- ▶ The egg and bagel breakfasts did not affect weight loss differently without a reduced calorie diet;
- ▶ When combined with a low-calorie weight loss diet, an egg breakfast induces significantly greater weight loss compared with a bagel breakfast, which was equal in calories and weight;
- ▶ Significant reductions in body mass index (BMI), waist circumference, and a significant increase in plasma ghrelin, suggests an improved health profile when an egg breakfast was combined with a low calorie diet;
- ▶ In confirmation of earlier reports, a regular intake of eggs did not adversely influence plasma lipids; and
- ▶ The inclusion of eggs for breakfast might provide additional benefits in a weight loss regimen.

Egg packaging adds value

By Terry Evans

Turning packaging from a cost factor to a value creator requires an understanding of the integral needs of customers, a passion for products and services, and communicating the right message. That's the view of Franz Hofer, Ovotherm, Austria.

While egg shells can be described as "the perfect package", protecting the valuable content and yet being easy to open, selling and usability depends on external packaging.

Packaging's basic role can be summed up in five words: protection, preservation, information, usability, and branding. Regardless of the basic functionality of packaging, optimization is the name of the game for the egg pack producer to support customers in improving their business. "A cost can be transferred into a profit if it creates value," he said.

Hofer stressed that packaging is a value creator at several points in this chain. At the packing station, perfect de-nesting and smooth filling and closing saves time and money. With regard to transporting eggs, the quantity handled by a truck has been greatly increased, reducing the volume

of unused space. In some instances this results in a savings of more than 1000kg (2204.6 pounds) of CO2 emissions/1000



Franz Hofer

kilometres (621.37 miles), compensating for the increase in fuel prices and freight costs. There are also savings involved in warehousing, fewer truckloads, less administration and less cost.

In-store value creation is evident in in-store handling and also through improved visibility and reduced breakage, Hofer said. For the producer/packer to maximise earnings, value must be added at each stage in the value chain.

Optimizing Consumer Appeal

Optimizing consumer appeal supports the marketing effort and helps build the brand. "Packaging is the number one me-

dium, to build and transport your image. It is a strong differentiator as it conveys your positioning and message to the consumer," he added. "The perception of your products is conveyed by the brand on the packaging. Packaging is the only differentiator between different types of eggs."

Hofer said the industry needs to sell eggs in places where they had not been available before, for example, fuel filling stations. Snacks such as Mars bars were readily available at such places and yet, for the same price, he believed the industry could sell two hard-boiled eggs with a packet of salt.

A key role for a packaging company is to offer its customers the possibility to sell eggs in new markets. "It would be an added-value contribution to your businesses," he said.

He concluded by saying, "We can make eggs far more popular by offering them in places where the public does not currently expect to find them. Packaging companies should be considered as part of your business. We need to move closer together. We don't want to be seen as cost creators in your balance sheet. We want to be profit creators." **EI**



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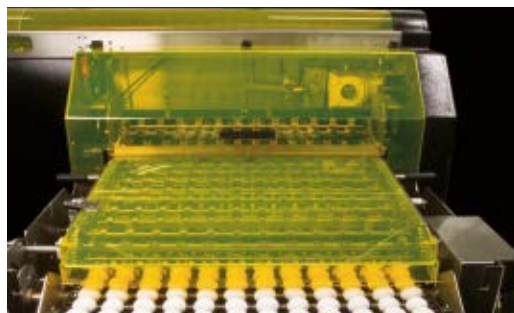
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Inspire your customers

The egg industry is missing out on using the worldwide web to stimulate demand

By Terry Evans

Inspiring material on an egg company's web site can drive people to the purchasing process, said Rene Boender of Great Opportunities, The Netherlands. He believes the industry should be inspired to greater marketing success, and should aim to inspire consumers. A routine has enabled the industry to get to the current level, but if it is to advance it needs to break this routine and outsmart the food competition by better understanding the consumer.

"Do consumers really hear you?" he asked. Boender didn't think so and was highly critical of the industry's lack of willingness to talk with its end customers.

The egg business is good, but it needs to become great. "Eggs can play a greater part in nutrition around the world than they do today," said Boender. He predicted that egg consumption would go up by 3 percent in 2008, but more importantly, the value of sales would rise faster.

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Rene Boender

Use YouTube

He asked whether any egg businesses had uploaded material onto the web's free YouTube. This site has an immense impact, with millions of people downloading material that they find informative, particularly if it is provided in a humorous way. Additionally, YouTube viewers often pass this information on to others. "People are looking for fun," he said.

While Boender complimented the industry on its improvements in production and cost cutting, he observed, "You do a bad job when dealing with retailers and on informing consumers." He continued, "If you only care about the price, you probably are not giving your trade customers something else to care about." He questioned whether the industry inspires people to eat more eggs.

At one time the oldest man in the world lived in France. When asked to what he attributed his longevity he replied, "I drink a glass of red wine every day." The French wine industry made sure that his story was featured in newspapers throughout the world. Recently, the world's oldest woman lived in Japan and she credited her old age to eating a bowl of egg soup every day. "Have you done anything about this?" he asked.

Boender said that the egg industry is concerned about 72 negative Blogs placed on the internet by animal welfare groups. "But, how could this seriously damage the industry when there were billions of ordinary people around the world who like eggs?" The industry tries to counter the arguments, but logic alone won't do. "Give them reasons to love eggs," he said. "If you really have a good story to tell and you tell it in the right way, people will reward you with their business."

Eggs Must Go from Good to Great

The industry needs an inspirational selling point. Boender said it should inspire people to buy eggs, along with countering negative rumors. He suggests that every country should launch a campaign at the start of 2008. For two weeks they should run an advertisement in the main national daily newspapers called "True or False—all the facts about eggs" and include a website address. "You will be amazed by the number of 'hits' you will get," he said.

Boender also recommended that companies upload films about eggs on the YouTube site. He went on to say, "The market is smarter than you think. People get a lot of information from the internet, and don't forget, the customer is in charge – always. It is important that you talk with more than a few." Boender gave examples of small films that had been downloaded millions of times because people found them informative and entertaining. Word of mouth is gaining importance.

The world wants to know more. There is an information lust that has to be satisfied, he said. A current concern is the global fight against obesity but he says he has yet to see an egg brand talking about how it could help solve the problem. People want to take care of themselves, eat smaller meals and yet feel satisfied. Sellers need to stress the link between eggs and dieting, he added, "If people want to go on a diet tell them to eat eggs."

Boender said that because there is little information on egg packs, shoppers take no more than three seconds to make their purchase. "Packs carry information about size and color, but virtually nothing on added value," he said. "Does the copy on egg packaging make your mouth water?" Boender urged sellers to rethink the wording, "people want to read what you have to say."

Rethink Target Markets

Boender said that egg sellers should rethink their target markets. Perception is reality for buyers and it is important to think about how egg marketers communicate with them. Information has to be bold and bright and it must be in the customers' language to be understood.

Boender told conference attendees that it is important to be open and tell the truth. Creativity results from disciplined thinking and a thorough understanding of people's motivations. The name of the game is in relevant differentiation and value stories.

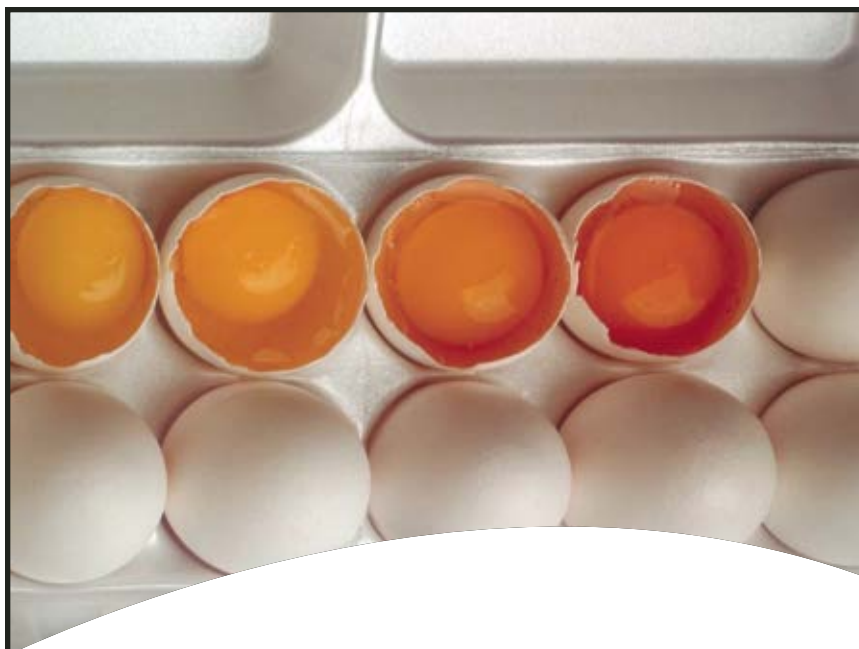
Wisdom and the activists do not go together, but emotion and the activists do, he said. "You must give people reasons for buying eggs, but don't offer more than a couple," he added. He warned not to take things too seriously, "Don't

let one anti-egg blog get you down. You can become bitter or better."

New product development, and in particular the addition of added value, are the ways to higher prices. Boender said the premium story is the leader in the market. People are cash rich and time poor. "You are in the haute convenience business not the egg market," he continued. Wherever people are, they want to eat, "Make sure you are

there," he added.

"You are what you publish," he went on to say. "Make sure that it is on the web and also pressagent.com. Don't become a spin-doctor about news. People want authenticity, not spin. Consumers want to participate, not be subjected to propaganda. Your web can drive people into the purchasing process with inspiring content. If you don't make contact you will never get a contract." **EI**



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Georgia World Congress Center, Atlanta, Georgia. Contact: US Poultry & Egg Association, 1530 Cooledge Road, Tucker, Georgia 30084-7804. Tel: 770-493-9401. Fax: 770-493-9257. E-mail: expogeneralinfo@poultryegg.org. Website: www.poultryegg.org.

March

18-20: Midwest Poultry Federation Convention 2008

St. Paul, Minnesota. Contact: Midwest Poultry

Federation, 108 Marty Drive, Buffalo, Minnesota 55313. Tel: 763-682-2171. Fax: 763-682-5546. E-mail: lara@midwestpoultry.com. Website: www.midwestpoultry.com.

June

29 - July 4: XXIII World's Poultry Congress.

Convention and Exhibition Centre, Brisbane, Australia. Event includes 6th Asian-Pacific Poultry Health Conference, 4th International Ratite Science Symposium & 2008 Australian Poultry Information Exchange. Contact: WPC 2008 Congress. Tel: +61 7 3858 5594; Fax: +61 7 3858 5510. Email: wpc2008@im.com.au. Website: www.wpc2008.com.

2009

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January 21-22: International Poultry Scientific Forum.

Georgia World Congress Centre, Atlanta, Georgia, USA, US Poultry & Egg Association, Tel: +1 770 493 9401; Fax: +1 770 493 9257, expogeneralinfo@poultryegg.org, www.ipe08.com

28-30: International Poultry Exposition 2009

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