



United Egg Producers

d/b/a Egg Farmers of America

United Voices Newsletter

September 11, 2015

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New Chicken and Egg Report from NASS And why is that important to you?

Approximately two years ago, UEP's Chairman Jim Dean strongly emphasized the need for accurate industry statistics and data. He and others shared the view that it was difficult to make sound business decisions if the information upon which you were basing those decisions was old and inaccurate. That led to UEP establishing a new Information Sharing Committee. The more the committee investigated all the various sources of industry statistics, the more it appeared that they were all basing their findings and reports on what USDA NASS was generating through their monthly Chicken and Egg Survey. If that information was untimely and inaccurate then subsequent reports would become equally inaccurate.

The goals of this committee were to work with USDA NASS to:

- Better understand the format and questions in their Monthly Chicken and Egg Survey
- Ascertain the extent to which the industry was participating in the monthly survey
- Determine if NASS was willing to edit their survey by changing the format and using language that egg farmers understood and used in their businesses.

The Committee is comprised of these UEP Members: Jacques Klempf - Chair (United Egg Marketing Corp.), Andy Seger - Vice Chair (Layer's, Inc.), Lisa Beohm (Iowa Cage Free), Tim Dawson (Cal-Maine Foods), Ross Dean (Center Fresh Egg Farm, LLP), Mark Oldenkamp (Valley Fresh Foods, Inc.), Lowell Ostrand (Michael Foods Egg Products Company), Doug Wicker (ISE Newberry, Inc.).

A big "THANK YOU" goes to these egg farmers for their leadership and efforts. After several positive and productive meetings and conference calls, USDA NASS has significantly changed their monthly survey. A copy of the new NASS survey is included in this newsletter. The new survey includes UEP's requested wording changes and preferred sequence.

Our hopes (NASS and UEP):

- Egg farmers like the new format, questions and sequence
- Because of the new look and feel - all egg farmers will complete the survey on a monthly basis
- Therefore, leading to reports and industry statistics that are accurate and timely

NASS is open to this being completed per farm or even aggregated for all locations of a producer.

Please be on the lookout for this new monthly survey from NASS! Please share it with the person in your organization that is responsible for completing the survey. Please complete the survey so that 6 months to a year from now we can feel confident that the decisions you are making are based on reliable and timely information.

Thanks and as always, if you have questions please don't hesitate to contact your UEP staff.

Mark your calendar for 2015 UEP Meetings!

October 6th - 9th

**UEP Annual Board &
Executive Conference
New Orleans, LA**



United Egg Producers

1720 Windward Concourse
Suite 230
Alpharetta, GA 30005

Tel: 770-360-9220
Fax: 770-360-7058

McDonald's Announces Transition to Cage Free Eggs

To meet consumers' changing expectations and preferences, McDonald's has announced that it will fully transition to cage-free eggs for its nearly 16,000 restaurants in the U.S. and Canada over the next 10 years. "Our customers are increasingly interested in knowing more about their food and where it comes from," said McDonald's USA President Mike Andres. "Our decision to source only cage-free eggs reinforces the focus we place on food quality and our menu to meet and exceed our customers' expectations.

On an annual basis, McDonald's USA purchases approximately two billion eggs and McDonald's Canada purchases 120 million eggs to serve on its breakfast menus, which includes popular breakfast sandwiches, such as the Egg McMuffin and Egg White Delight. Since 2011, McDonald's USA has been purchasing more than 13 million cage-free eggs annually. "Animal welfare has always been important to us and our customers," added Marion Gross, senior vice president and Chief Supply Chain Officer of McDonald's North America. "Today's announcement is another big milestone building on our work with industry experts and suppliers to improve the treatment of animals."

UEP responded to the McDonald's announcement by stating that "America's egg farmers have long been committed to ensuring the health and well-being of the hens. Over the years, many evaluations of hen housing systems have been conducted, including a comprehensive, three-year research study done by the Coalition for a Sustainable Egg Supply (CSES) that compared three different hen housing environments. Both United Egg Producers (UEP) and McDonald's are members of CSES, and through this process, as well as through the ongoing counsel of UEP's Scientific Advisory Committee."

The FDA Food Safety Modernization Act (FSMA) Preventive Controls for Human Food and Animal

Food rules are now final, and compliance dates for some businesses begin in September 2016. The rule was made available in the Federal Registry Thursday, September 10, 2015. This final rule is the product of an unprecedented level of outreach by the FDA to industry, consumer groups, the agency's federal, state, local and tribal regulatory counterparts, academia and other stakeholders.

In response to input received during the comment period and during hundreds of engagements that included public meetings, webinars, listening sessions, and visits to farms and food facilities across the country, the FDA issued a supplemental notice of proposed rulemaking in September 2014. The proposed revisions were designed to make the originally proposed rule more practical, flexible, and effective for industry, while still advancing the FDA's food safety goals.

The final rule has elements of both the original and supplemental proposals, in addition to new requirements that are the outgrowth of public input received during the comment period for both proposals. For example, flexibility has been built into key requirements, including control of the supply chain, and the definition of farms—which are exempt from these regulations—has significantly changed to reflect modern farming practices. UEP Director of Food Safety Oscar Garrison and Randy Green will be meticulously going over the 2 rules consisting of over 1700 pages in these documents and will provide an executive overview at the Annual Meeting in October. At first glance, it appears the comments submitted by UEP were taken very seriously by the agency as the final rule was drafted.

APHIS Provides Additional Insight to Fall Planning

On Friday, August 28, APHIS again hosted its regular bi-weekly stakeholder HPAI update call. This call was an important update for egg producers, with a number of key issues being raised and discussed. The management team is in the process of leaving Iowa, a total of 16 sites have contractors working in them and it is expected they will be completed very soon.

APHIS continues to focus on 'streamlining effectiveness' as it prepares for fall. The goal of a 24 hour depopulation continues to be a focus to keep the virus contained if it returns. The need for rapid decision making and communication among the producer, state, and federal agencies will be the key to accomplishing this goal. The indemnity process has been streamlined to no longer require a signed flock plan to commence depopulation. Additional CO2 carts and foamers have been ordered and whole house CO2 units are being constructed to facilitate the agencies goal.

Biosecurity continues to be a recurring topic. Producers will need to be able to communicate that they have a plan in place and that they are following it. A biosecurity self-assessment tool is being developed to identify potential gaps in current plans. Producers will be able to take the deficiencies discovered in the self-assessment and focus on those as they develop site-specific biosecurity plans for the fall. APHIS will collaborate with USPOULTRY on disseminating the self-assessment survey by mid-September.

Cleaning and disinfection during the spring outbreak have provided many lessons learned to APHIS and states. Most recently, APHIS has focused on dry cleaning and heating as the likely, preferred cost-effective methods of killing the virus. The agency is currently considering a flat rate of reimbursement for cleaning and disinfection in the future. UEP staff remains in communication with USDA and will provide additional information as it becomes available.

Tyson Foods Cuts Ties with Farm after Undercover Video

Tyson Foods has cut ties with a Tennessee chicken farm after an undercover video shows alleged animal abuses. A Mercy for Animals undercover investigator worked at the T&S Farm in Dukedom, TN for about four weeks in July and August capturing video with a small camera. In images released, chickens at the farm are seen being beaten and stabbed with a pole with a spike on it. In the video, a farm employee is heard asking the investigator "You don't work for PETA, do you?" before repeatedly hitting one of the birds with a spiked stick. T&S Farm raises chickens for the Tyson Foods slaughterhouse in Union City, TN, which in turn supplies meat to McDonalds. Tyson Foods spokesman Worth Sparkman said in a statement that "We're committed to animal well-being but don't believe this video accurately depicts the treatment of chickens by the thousands of farmers who supply us."

Sheraton New Orleans Hotel Room Reservations

The Sheraton New Orleans Hotel has sent out the hotel confirmation letters to those of you that have registered for the UEP Annual Board Meeting & Executive Conference.

If you do not receive your confirmation letter by Monday, September 21, or have any other additional questions or requests, please contact Caryn Konrad at ckonrad@unitedegg.com or 770-360-9220.

300 Million Tons of Manure; CERCLA-EPCRA Emissions Reporting Back In Play

A recent story in Bloomberg news (“EPA Doesn't Know How to Deal With 300 Million Tons of Animal Poop” 8/20/2015) may have caught your attention. The story attempts to link together several efforts at greater federal regulation of CAFOs into a seemingly unified problem related to the amount of manure that CAFOs collectively generate. That is a lot of manure, and the story implies it is being poorly managed universally; something that is patently untrue.

There is one piece of news in this story, though, having to do with CAFOs reporting their ammonia and hydrogen sulfide emissions under CERCLA-EPCRA (the “Superfund” laws). Almost 15 years ago this threat is in part what drove UEP and others in animal agriculture to seek Air Consent Agreements while the National Air Emissions Monitoring Study was undertaken. The news in the Bloomberg story is that the environmental groups have restarted litigation that creates the very real chance that sometime in 2016 or 2017 EPA will once again require livestock and poultry operations to report their ammonia emissions to national and state emergency authorities. Operations emitting more than 100 pounds of ammonia over 24 hours would need to report. This could create substantial legal liabilities for any CAFO that has NOT **reported** emissions over the past several years, particularly those that did not sign an Air Consent Agreement. We will have more in-depth analysis to present to the industry at the annual meeting in October.

Waters of the U.S. Still Troubled

While the official effective date of the final WOTUS rule was August 28, 2015, a North Dakota federal district court’s rulings have complicated the start of the rule’s implementation.

Judge Erickson granted on August 27, 2015 the request of thirteen states for a Preliminary Injunction (P.I.) against the rule. The judge found persuasive the states’ arguments that they would suffer irreparable harm without the injunction and that their challenge to the lawfulness of the rule had a strong chance of success. But after further briefing Judge Erickson concurred with US EPA that the P.I. would only apply to the thirteen states, leaving the final rule in place for the rest of the country. The thirteen states are Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, Nevada, South Dakota, Wyoming, New Mexico and North Dakota. If you are not in one of these states there is a distinct chance that you have drainage and water features on your farms that today could be claimed as directly subject to Clean Water Act jurisdiction. The same is true for those farmers that are accepting or purchasing your operation’s manure for crop production.

We don’t expect any imminent enforcement actions from the regulatory agencies as a result of the rule. But the threat of Clean Water Act citizen suits is very real and as such the final rule immediately creates new uncertainty and possible serious federal liabilities for egg producers. We will have more in-depth analysis to present to the industry at the annual meeting in October.

Subway Australia Goes Cage Free

Recently we reported that ALDI Australia had been targeted, with shoppers expressing their anger via social media for selling cage eggs. Animal welfare group RSPCA has kicked-off an online campaign by asking people to write to the German-owned company and urge them to stop selling the type of eggs, which they label as 'cruel'. Some consumers have even threatened to stop shopping at the supermarket chain after the RSPCA secured commitments from ALDI's larger competitors.

Now, Subway fast food chain, known the world over for its jingle encouraging customers to 'Eat Fresh', have announced that they have switched to cage-free eggs, 18 months ahead of schedule. The chain uses around 5.5 million eggs across its 1,400 Australian outlets each year.

Urner Barry Historical Data

Thanks to Urner Barry, this historical data gives users a quick look at current production and price levels vs. like periods and averages of the last 4 years. Once a month, UEP will provide this past information as a helpful tool.

	Midwest Large Vs. Layer Numbers 2011 - 2015											
	2015		2014		2013		2012		2011		4-Year-Avg*	
	Price	Layers	Price	Layers	Price	Layers	Price	Layers	Price	Layers	Price	Layers
Jan	1.295	308.2	1.308	304.3	1.338	298.6	1.139	287.4	1.131	285.9	1.231	294.0
Feb	1.491	304.6	1.552	302.3	1.220	298.8	1.073	286.1	1.145	282.2	1.245	292.4
Mar	1.711	305.1	1.546	303.0	1.360	300.6	1.202	287.1	1.044	281.2	1.281	293.0
Apr	1.224	304.1	1.560	304.4	1.068	300.2	1.064	287.8	1.224	283.6	1.229	294.0
May	1.780	296.0	1.357	304.3	1.257	296.0	.960	286.0	1.016	280.4	1.147	291.7
Jun	2.302	270.2	1.279	302.9	1.062	297.2	1.090	285.7	1.048	277.6	1.119	290.9
Jul	2.354	270.3	1.435	303.1	1.210	296.7	1.300	284.1	1.093	278.9	1.263	290.7
Aug	2.714	271.2	1.294	305.2	1.255	298.0	1.417	284.2	1.353	278.5	1.331	291.5
Sep	2.450	-	1.280	305.6	1.217	300.9	1.415	286.8	1.208	281.2	1.277	293.6
Oct	-	-	1.340	306.4	1.242	299.3	1.274	288.7	1.284	281.3	1.285	293.9
Nov	-	-	1.739	306.2	1.565	303.0	1.418	293.3	1.293	283.9	1.497	296.6
Dec	-	-	2.008	310.1	1.614	306.1	1.374	293.8	1.512	286.0	1.630	299.0
Average	1.883	291.2	1.470	304.8	1.281	299.6	1.225	287.6	1.195	281.7	1.293	293.4

* Average does not include current year.

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Source: Urner Barry · 732-240-5330

For Sale

- 2,000 sets of wooden boards, tic tac & pallets, pressure washed and sanitized for pick up in the Midwest. Please call Phyllis at 1-800-735-3765 for more information.

Washington D.C. Report

Summer Over as Congress Returns to a Busy Fall

Congress has returned from its August recess and faces several immediate issues. For food and agricultural issues, the top of the list includes Highly Pathogenic Avian Influenza (HPAI), a Country of Origin Labeling (COOL) battle in the Senate, Child Nutrition Reauthorization, EPA's Clean Water Rule (WOTUS), and the GMO labeling bill.

HPAI: Rep. Collin Peterson (D-MN) said that he expects the House Agriculture Committee to begin working on an avian influenza insurance program for producers.

COOL: The Senate is still split over legislation to address the WTO's ruling against the United States' Country of Origin Labeling law. Senate Agriculture Committee Chairman Pat Roberts (R-KS) has pledged to begin working on the bill for a clean repeal of COOL sponsored by House Agriculture Committee Chairman Mike Conaway (R-TX) and passed by the House earlier this summer. Sen. Debbie Stabenow (D-MI) and Sen. John Hoeven (R-ND) have a bill, backed by a majority of the Senate Agriculture Committee that would offer a voluntary labeling approach. Critics of the Stabenow-Hoeven bill say that a clean repeal of COOL is necessary to avoid retaliation from Canada and Mexico.

Child Nutrition Reauthorization: USDA Secretary Tom Vilsack has given two high profile speeches calling on Congress to reauthorize the Healthy Hunger Free Kids Act before it expires on September 30, 2015. The Senate Agriculture Committee is scheduled to mark up its version of the reauthorization on September 17, and the House Education and the Workforce Committee is expected to introduce their version in mid-September.

WOTUS: In a groundbreaking win for agriculture, a federal judge in North Dakota approved a petition for a permanent injunction of the rule, a decision at odds with the rulings of federal courts in Georgia and West Virginia finding that the States' challenges to the WOTUS rule have to be brought before a U.S. court of appeals. The North Dakota ruling stops immediate implementation of WOTUS in 13 states, but EPA has clearly indicated it will implement WOTUS in 37 states.

GMO Labeling: Earlier this summer, the House passed Rep. Mike Pompeo's (R-KS) Safe and Accurate Food Labeling Act with the help of 45 Democrats. Proponents of the bill are eagerly watching the Senate for action on the bill.

MONTHLY CHICKEN AND EGG REPORT September 2015

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Mailing Label Information



USDA/NASS - National
1400 Independence Ave, SW
Washington, DC 20250
Phone: 1-800-727-9540
Fax: 1-855-270-2719
E-mail:
HQ_SD_LB-PSCS@nass.usda.gov

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The information you provide will be used for statistical purposes only. In accordance with the Confidential Information Protection provisions of Title V, Subtitle A, Public Law 107-347 and other applicable Federal laws, your responses will be kept confidential and will not be disclosed in identifiable form to anyone other than employees or agents. By law, every employee and agent has taken an oath and is subject to a jail term, a fine, or both if he or she willfully discloses ANY identifiable information about you or your operation. Response is voluntary.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB number is 0535-0004. The time required to complete this information collection is estimated to average 12 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

On **September 1**, did this operation (name on label) **own** any of the following:

Table or Market Egg Flocks?

Fill out **Section 1** on Page 2

OR

Hatchery Supply Flocks?

Fill out **Section 2** on Page 3

Section 1 – Table or Market Egg Producers

Please report for all flocks now owned by you or your firm. **Exclude** Commercial Broilers. Enter "0" if an answer to any question is none.

Table or Market Egg Flocks

1. During **August**, how many **new layers** were added to your layer flock(s)?

Number

095

2. During **August**:

a. How many layers **died**, were **destroyed or composted**, or **disappeared** as part of your total **mortality**? (**Exclude** those that were sold or rendered.)

Number

089

b. How many layers were **RENDERED**?

Number

083

c. How many layers were **SOLD** to fowl processors for slaughter?

Number

088

d. How many layers were **SOLD** for further **egg production**?

Number

093

3. On **September 1**, what was the **total number of layers** in your flocks? (**Include** layers being molted. **Exclude** pullets which have not laid marketable eggs.)

Number

081

a. Of the (item 3) layers, how many were in **molt**?

Number

091

b. Of the (item 3) layers, how many layers have **completed a molt**?

Number

092

4. Complete **one** of the following:

a. On **September 1**, what was the **rate of lay** (hen day) for your layer inventory? (**Include** layers being molted.)

Percent

079

 ____ . ____ %

OR

b. **EGGS PRODUCED** on **September 1** by all **Table Egg LAYERS**.

OR
Number

082

5. How many **PULLETS** were on hand **September 1**? (**Include** Pullet Chicks)

Number

094

a. Of the (item 5) pullets, how many **pullet chicks 3 days old or less** were added to your pullet flocks during **August**?

Number

090

b. How many **PULLETS** more than 3 days old were added to your **PULLET** flocks during **August**

Number

086

(i) Who supplied the pullets in item 5b?

386