



Flu Contaminates 109 VA Poultry Farms

Avian flu had contaminated 109 poultry farms by late April, the Virginia Department of Agriculture and Consumer Services said.

In five counties in or near the Shenandoah Valley the virus has infected flocks containing 2.65 million chickens and turkeys.

Poultry companies have slaughtered 2.34 million birds on 99 farms to contain the spread of the disease, the department said.

Eggs Containing Antibodies Prompt Investigation

Afederal grand jury in Columbus, Ohio is investigating OvImmune, Inc., a biotech company located in Richwood, Ohio for marketing eggs described by the company as "magic bullets" that can destroy unwanted biologic entities such as cancer.

According to the FDA, the company sold the eggs as unlicensed drugs and vaccines to combat pneumonia and AIDS. The agency said the company also sought to use Richwood residents in unauthorized medical experiments. FDA said it warned the company's president that unauthorized medical experiments are illegal.

Ohio EPA Proposes to Revoke Buckeye Egg Farm Permits

On April 22, Ohio EPA Director Christopher Jones issued a proposed action to revoke the 15 wastewater permits that Buckeye Egg Farm needs to legally operate its egg production facilities in Ohio. The action came after discovery of another unauthorized discharge of storm water at the Croton facility and extreme fly problems in the Northwest Ohio barns, and is the culmination of significant, ongoing compliance problems at all Buckeye Egg Farm facilities.

The proposed action will become final on May 23, 2002, unless Buckeye Egg Farm or other affected parties request an adjudication hearing. If a hearing is requested, the permits would remain in effect throughout the appeals process.

"For years, citizens and the environment have suffered as a result of the company's poor management and broken promises," Jones said.

"The State has penalized Buckeye Egg Farm for violations and secured commitments from the company to make changes, yet the company continues to demonstrate it is not capable of operating in compliance. Ohio EPA is escalating its response to the next level by proposing to revoke the company's permits," Jones added.

The Ohio EPA release stated that Buckeye Egg Farm has 125 barns that hold a total of 15.5 million laying hens and pullets (juvenile hens), as well as hatchery and breeding barns (*Egg Industry's* 2001 estimates of layers on hand come in at 10.5 million). Ohio EPA expects the company to remove all chickens and manure from the barns within 180 days after the proposed action becomes final, using a phased approach that requires the company to close 20 buildings every 30 days. Removal of manure and chickens should be prioritized based on the imminent threat of nuisance conditions or

discharges to waters of the state. Buckeye Egg Farm must comply with all existing requirements related to stockpiling and land application of manure and egg wash wastewater until the permits are effectively revoked.

Jones also proposed to deny eight pending operating permits that deal with manure and egg wash water handling systems at the Buckeye Egg Farm facilities. In addition, Ohio EPA has asked Attorney General Betty Montgomery to file the ninth contempt motion in Licking County Common Pleas Court against Buckeye Egg Farm. The motion will ask the judge to address the immediate problem at the company's facilities.

"People may assume that this is a so-called 'mega-farm' problem, when in fact, it is a management problem," said Ohio Agriculture Director Fred L. Dailey. "Every farmer, regardless of size, has a duty to manage

See Ohio EPA on page 3

Egg Month in Nebraska

Nebraska Lt. Governor Dave Heinemann (right) proclaimed "May Is Egg Month" in Nebraska at an industry-sponsored luncheon at the Governor's mansion for state senators, Nebraska Department of Agriculture representatives, and egg producers. Accepting the proclamation is Jeff Hain of Hain's Hen Haven in Bellwood. Hain serves as president of the Nebraska Egg Council.



INDUSTRY NEWS

Ziggity Appointments

Cleburn Bannister has been named District Manager of West Coast Operations for Ziggity Systems, Inc. In this position, Bannister will advise poultry producers and Ziggity distributors on the best use of Ziggity products. Bannister, a native of Coolidge, Ga., will relocate to Oregon. His territory includes Washington, Oregon, California, Idaho, Nevada, Arizona, Utah, Montana, Wyoming, New Mexico, Alaska and Hawaii.



Bannister



Adams

Chad Adams has been named District Manager of Operations in the South for Ziggity Systems, Inc. His territory includes Mississippi, southern Missouri, northeast Oklahoma and northwest Arkansas.

From *Ohio EPA* on page 1

their farm in a responsible manner, and most of Ohio's 80,000 farms do so every day. Unfortunately, Buckeye Egg Farm's management failures, as well as its callous disregard for neighbors and regulatory oversight, have forced this unprecedented action."

Under Ohio law, permit revocations must first be issued as a proposed action, which is appealable to an Ohio EPA hearing examiner. The applicant or any affected party has until May 22, 2002 to appeal the proposed permit revocations.

Japan Eases Restrictions on Eggs

Japan's restriction on US egg products has been revised. Until further notice, egg products that originate from birds located in the States of Maine, Virginia, or North Carolina or that are processed in plants located in Maine, Virginia or North Carolina are ineligible for export to Japan.

Egg product may not transit these States unless the container is under USDA seal, and the seal number is indicated on FSIS Form PY-200, Egg Products Inspection and Grading Certificate. Product from flocks processed from the above States remains eligible if produced and transported out of the State before the outbreak. The eligibility of product will be determined by the processing date which must be in month/day/year format.

Egg products are no longer restricted from the State of Pennsylvania if the product was produced on or after April 12, 2002. Recertification of product produced before April 12, 2002 should also include Pennsylvania as a restricted State.

CDC Reports Decline in Foodborne Illnesses

The Centers for Disease Control and Prevention (CDC) said there has been "substantial and sustained declines" over the past five years in the number of illnesses caused by leading foodborne pathogens. The pathogens that caused the most illnesses were salmonella (15.1 cases per 100,000 people), which for the first time topped the list over campylobacter (13.8 cases), followed by shigella (6.4 cases), according to preliminary FoodNet data released April 18 by the CDC. Consistent decreases were seen over several years in four pathogens during the 1996-2001 testing period. Yersinia infections decreased 49%, listeria decreased 35%, campylobacter decreased 27% and salmonella decreased 15%. The combined estimated incidence of infections caused by all seven bacterial pathogens that CDC surveys dropped 23% since 1996.

USDA to Purchase Egg Products

UEP reports that USDA has announced the purchase of approximately \$10 million in egg products for use in the federal feeding and nutrition programs. The amount of egg products purchased is dependent on the quantities offered, prices bid and recipient requirements.

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Veneman Announces Temporary Personnel Changes at Food Safety Agency

Agriculture Secretary Ann M. Veneman announced two personnel changes at the Food Safety and Inspection Service. Margaret O'K. Glavin, FSIS acting administrator, will be leaving the Agency to take on a leadership position for Resources For the Future, a non-profit organization, under an FSIS intergovernmental personnel act agreement. Veneman also announced the appointment of Mr. William J. Hudnall to serve as the new acting administrator for FSIS, until a permanent administrator is appointed.

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INTERNATIONAL NEWS

Germany Starts to Phase-Out Cages

The installation of battery cages for laying hens became illegal in Germany on March 13 when a new law on hen keeping came into force. This ban also applies to enriched cages, according to a report in *Agra Europe*.

Existing cage units must be converted to non-cage systems by January 2007 and enriched cages (which are approved by the European Union) will no longer be permitted from January 2012.

From 2004 it will be obligatory to state the method of production on the packaging. Also, every egg will have to be

marked with a code that will identify the production method, country of origin and the producer's registration number. From this year it is also possible for egg processors to state the production method on their products and market them as welfare friendly.

Clear Egg Packs in China

BKS-Ovotherm International has obtained a three-year contract to supply around 10 million clear egg packs a year to a company in Fujing, China. This company will sell "Millennium eggs" (black eggs) and salted/cooked eggs in clear Ovotherm packs in three Chinese provinces, Guandong, Fujing

and Hubei.

Mrs. Chen-Chen, Manager of BKS-Ovotherm International's office in Shanghai who obtained the order is aiming to repeat her success in the other 47 provinces. Among the 25 different types of clear plastic packs that BKS-Ovotherm demonstrated at the IPE exhibition in Atlanta, was an innovative circular STARPACK 6+1 pack. This provided space for six eggs to be presented in a circle with space for a seventh egg or surprise package in the center of the arrangement. The company is currently marketing its packs in more than 80 countries worldwide.

Reducing Oviduct Damage and Cannibalism in Laying Hens

Ongoing research by Dr. Greg Parkinson, from the Victorian Institute of Animal Science (Australia), has investigated the causes of cloacal hemorrhage and prolapse in laying hens and their involvement in the development of cannibalism in a flock.

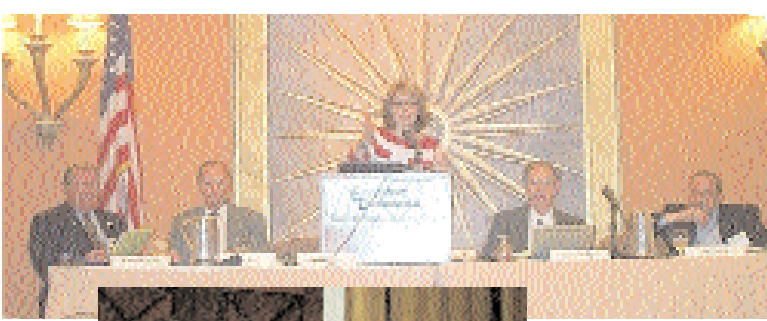
His studies have shown that cloacal hemorrhage and picking behaviors do not occur at the same rate throughout the life of a flock. They occur more frequently at times of high metabolic pressure, such as peak production and peak egg mass. High incidence of cloacal hemorrhage appears to be related to low body weights of hens in early lay and the production of disproportionately large eggs. While some birds can repair oviduct damage, others continue to lay blood stained eggs. Better management of body weight, particularly in early lay, will reduce the extent of cloacal hemorrhage.

Included in the research were field observations made on commercial flocks housed in barn or controlled environment cage sheds. Practical implications of the observations made in both the experimental trials and the field studies include:

- Factors that may have contributed to low levels of cannibalism in brown egg layers that were not beak trimmed and had high light levels during lay are recent improvements in the layer strains, near optimal bodyweight management of the flock and low light intensities during rearing.
- Farms that have high levels of control over pullet management and shed light intensities may be able to run flocks that are not beak trimmed.
- Multi-tier cage sheds can have significantly higher mortalities in the top tier cages than the lower tiers if they experience higher light intensities.

The full report from this project (Publication No 02/012) can be viewed or downloaded free from www.rirdc.gov.au. [From RIRDC, Focus on Research by Irene Gorman].

Back to Basics at Urner Barry



John Todd

“Back to Vegas....Back to Basics” was the theme for the 2002 Urner Barry Executive Conference held at Caesar’s Palace in Las Vegas on April 21 through 23. An excellent array of speakers and panelists was on hand providing everything from an inspirational talk about business in general, a noted political reporter and an economist. In addition, many industry specialists formed panels to debate the current conditions in both the poultry and egg segments of our industry.

The Keynote speaker at this year’s event was Howard Fineman, *Newsweek* magazine’s lead political reporter. Fineman can be seen on television on “Hardball”, The Today Show, The News with Brian Williams on CNBC as well as the radio show, Imus in the Morning. His interesting commentary on life and times in Washington D.C. captivated the audience.

Joel Naroff, founder of Naroff Economic Advisors, spoke to the group about the economy. Highlights of his speech included a discussion on recent trends of food supply relative to the world economy. Other topics included the New European currency, the Euro and the effect of 9/11 on imports and exports. The number of vehicles sold in the U.S. is the second highest on record due to 0% financing as well as a record number of home sales. Naroff is optimistic and says the economy is alive and well in America. All signs indicate a recovery from the recession. There are some risks that should be monitored, however, such as weak earnings, terrorism and the oil situation, to mention a few. Answering a question related to the agricultural sector, the speaker feels agriculture will follow the general economy upward. The demand segment looks good for the future.

“Feeding the World through Poultry and Egg Exports” was the topic for a panel discussion for the joint attendees, both poultry and egg. Speakers included Jim Sumner, President of USA Poultry and Egg Export Council (USAPEEC), Gil Eckhoff, President and CEO of Henningson Foods, and Eric Joiner, President and CEO of



AJC International, Inc. Each panelist gave a short presentation on the topic of exporting poultry and eggs from the United States. In Eckhoff’s discussion on the current situation relating to the egg products industry, he predicts difficult times ahead and estimates there needs to be a 20% increase in exports just to get back to the level of 5 to 6 years ago. Many restrictions are being imposed throughout the world, which hurts exporting from the US.

Eric Joiner, President of AJC, which is a 30-year exporter of poultry products, is a former chairman of USAPEEC. His comments were related to the poultry products industry. About 20% of the total poultry products production in the U.S. goes to export. There is considerable competition in this industry with Brazil leading the way and growing rapidly.

Jim Sumner led off his remarks with a very emphatic statement regarding the export of shell eggs. Only 3% of shell eggs are being exported. The industry is facing more and more trade restrictions and other issues that hold back the exporting of eggs. He stated that never before has the situation been more severe. In his explanation as to why this is occurring, Sumner said that the previous admin-





ECI President Wayne Clapper, right, and Chairman Paul Osborne, left, open the meeting in Las Vegas, April 21, 2002

ECI Open Meeting Updates Industry

An open meeting by the Egg Clearinghouse was held as part of the Urner Barry Conference.

The primary purpose of this ECI meeting was to introduce Egg Clearinghouse's new Economic Consultant. President Wayne Clapper presented Assistant Professor Hikura Hanaru Peterson of the University of Kansas Agricultural Economics Department as their new consultant. Dr. Peterson did her graduate work at Cornell University. As part of her comments at the

ECI meeting, she discussed the relationship between the ECI and Urner Barry quotations. In addition, Dr. Peterson provided charts and graphs she will use as tools to measure the intricacies of supply, demand and price comparisons relating to the egg industry.

In his report to the membership of ECI, Wayne Clapper stated that 2001 sales were 3% over those of 2000. He also pointed out various changes that took place in 2001 and again explained the cash back system from excess profits. Clapper explained to the members that credit insurance is becoming too expensive. Therefore, Egg Clearinghouse will self-insure those accounts over \$250,000 and they are looking for a company to insure those under that figure.

ECI will recognize the UEP Animal Welfare compliance certified companies and quote accordingly. Also, President Clapper reviewed a new export opportunity through the European counterpart of the U.S. Egg Clearinghouse. He asked for and received a passed motion that ECI explore the viability of trading eggs between ECI and the European trading company, and will report in detail at the September ECI meeting.

Wayne Carlson, who served as chairman of Egg Clearinghouse for the past four years, was honored and received a plaque for his service. President Clapper remarked how ECI had tremendous growth during Carlson's tenure.

istration did not deal with the problem effectively. The previous Agricultural Department did not go to task in behalf of the industry and allowed the restrictions to be imposed. He indicated the current administration looks like it is getting behind the industry and things look better for the future. Another reason for poor exports is the growing distrust of government food safety efforts outside the U.S. In regard to poultry products, the Russian ban created a great deal of bad media coverage.

At this point the meeting broke off into separate sessions for eggs and poultry. The first egg session was titled, "Cage Enhanced Production and its Affects on Selling, Price, Production Costs and Consumption." Moderator Al Pope, President of United Egg Producers, introduced the panel and gave some initial remarks. In his statement, Al talked about the UEP's Scientific Committee and their plan for the certification of producers. He commented it would take all producers, staff and everyone connected to the industry to implement the plan as outlined by the committee. The opportunities are here and he encourages all to join the fight.

The first panelist to speak was Amy Barr, a veteran communications expert and co-founder of Marr Barr Communications which specializes in food and nutrition, consumer affairs, agriculture and the natural products

industry. Ms. Barr has much experience in organic foods as well as editorial communications work with leading publications. Her education includes both nutrition and science journalism. She remarked that the animal welfare issue is a gathering storm. Consumers are questioning and are confused as to the specifics. The animal rights people are getting to the media, retailers and legislative entities as evidenced by many different avenues. Ms. Barr advised the attendees to be proactive and reactive to the recent events.

Bob Krause, CEO, Midwest Poultry Services, has served as the chairman of the Animal Husbandry Committee for the United Egg Association. As part of his remarks, Bob explained the prerequisites for becoming certified in the UEP program. Producers representing over 160 million birds have already joined. He also discussed the changes that need to be implemented and the timetable to do this. He also outlined the audit procedure and the outcome if the producer fails to comply. There will be a 50-day period to clear up the problem.

Panelist Barrie Wilcox, co-President of Wilcox Family Farms and chairman of the UEP Government Relations Committee, stated that the increased cost will be imposed when implementing the new UEP guidelines. Using a spreadsheet, he estimated for the average flock that going from 48 square inches per bird to

67 inches could cost an additional 12.2 cents per dozen. Numbers will differ with each operation, but the spreadsheet system can be applied in each case.

Next on the agenda for this session was Joe Fortin, Kofkoff Egg Farm and VP of Shell Eggs for Moark LLC. Kofkoff reviewed the supermarket involvement in the animal welfare issue. Activists are currently attacking these organizations and threatening action such as boycotts if the retailers do not adhere to guidelines. He also discussed the fact that market quotes will be necessary to cover the costs for certified eggs, and enthusiastically endorsed the certification program, along with the other members of the panel.

One of the resulting questions from the audience addressed to Amy Barr was how do we go about solving this? Her answer was, "Get the message out to the consumers."

Also there was a question as to the cost of auditing and Bob Krause responded with the fact they are currently working on the answer. Auditing will be done by independent third parties.

"Egg Yolk and White Demand Trends, and Price Relationships" was moderated by Bob Kellert, Sr, V.P. Bender Goodman Co. Panelists included Terry Ames, V.P. Marketing, Sanovo-Seymour USA; Dennis Casey, President,

Back to Basics at Urner Barry

Hy-Line International; Harold Cutler, Industrial Sales Manager, Moark, LLC; Santiago Gomez, Egg Breaker Product Manager, Diamond Systems; and Bill Rehm, President and CEO, Day-break Foods.

Each of the panelists related their own unique position as part of the egg products industry. This included production and processing, marketing and the equipment and birds to do the job. Cutler remarked on the history of egg breaking in the US. Egg quality is better today and there is a remarkable improvement on the machinery available. "Almost perfect," stated Cutler. He also provided a warning that egg product customers are looking for egg substitutes.

Dennis Casey spoke from a breeder's perspective. There is currently a limited amount of research being done in a yolk-white ratio. As the amount of total production increases in the breaker market, more research will be accomplished in this regard.

Bill Rehm reviewed the yield numbers in an egg breaking operation. Rehm showed the ratio of yolk and white and indicated that older birds produce more white. Other statistics presented graphically, analyzed breeds vs. whole egg solids, solids, liquid and dried numbers and comparisons of price vs. inventory.

Santiago Gomez emphasized the dollar value realized when egg breaker yields increase. A small percentage of increase in yield can mean a large increase in product/dollar gain. Also savings in labor with higher speed machines increase revenue. Gomez also stated in-line systems are better than off-line in that the eggs are stronger and better processed.

Terry Ames reviewed the history of breaking equipment such as the old carousel machine going up to the latest multi-lane, straight line equipment of today. Just the elimination of the transfers from conveyors to breakers has solved many problems. Modern day maintenance programs help to keep yield up. The concept of the two systems is totally different and the maintenance is actually easier on the later, faster models.

"Price Discovery Now and in the Future: Alternative Pricing Models and Current Market Analysis" was the final seminar and was moderated by Rick Brown and



Rick Brown, Urner Barry, at the Sunday night reception, by the pool at Caesar's.

Randy Pesciotta from Urner Barry. Regarding the shell egg market, Rick Brown asked the question: "How did we get there?"

Because the rate of increase in the egg layer numbers will allow 3 million birds per year for prices to remain profitable, and because there has been a departure upward from that number since 1998, prices are too low. It is a

matter of supply and demand. Too many eggs drives the price down and that is where we are currently. There have been 14 million hens added over the 3 million per year since 1998. The bright side is that the hatch is somewhat down which indicates a possible better future.

Randy outlined the growth area. Iowa, California and Ohio took top honors with increases to their bird population. Using numbers from the Watt Publishing Top Company issue, Randy used charts to illustrate the growth. There is also a sizable growth in breaker activity. In price discovery, certain goals such as maximum return and accuracy are always in mind. Randy explained advantages and disadvantages that can be found in the present and alternative models of price discovery. No one system is perfect. Rick Brown commented on the enhanced shell egg market that is coming with certified eggs and their extra cost. He assured the group that Urner Barry will report that evolving market. In conclusion, Brown and Pesciotta feel the outcome using another model to determine price would not be different than this low price market. Brown emphasized that the industry needs to pay more attention to selling the Easter market. He used the term that we need to rescue Easter.

At the banquet Bob Sparboe, President of Sparboe Companies, was awarded the "Eggman of the Year" from Urner Barry Publications. Bob has been a large player in the American egg industry for many years and as part of his remarks, introduced Beth and Garth, members of his family that are working in the business. He also spoke on the mergers and acquisitions taking place today in our industry. Bob also commented on the unique fact that in this industry many millions of dollars can be conducted over the phone, something unheard of in many other industries.

Focusing on Layer Welfare:

Part 2

In this segment of the report from WATT Summit IV, the focus is on production practices and consumer strategies.

Molting Without Starvation

One of the most heated topics of discussion in the welfare arena centers on molting and this is an area receiving considerable research funding. The topic has become so controversial that the guidelines from McDonalds bans the use of eggs from birds raised under molting programs. Dr. Ken Koelkebeck, University of Illinois, provided an update on his research dealing with non-feed removal methods for molting commercial layers. Most commercial laying hen molting programs, according to Koelkebeck, utilize some form of feed removal to initiate the molt.

Illinois researchers conducted one experiment and are in the process of conducting another experiment in this area of research. The purpose of both studies was to evaluate the effects of non-feed removal molting alternatives on long-term postmolt performance of laying hens. The first study was sponsored by the California Egg Commission and the second ongoing study is being sponsored by the United Egg Producers. In the first study, the researchers evaluated the effect of several non-feed removal methods in comparison to a short feed removal period and a conventional feed removal period on long-term postmolt laying hen performance. For the second ongoing study, the researchers are evaluating eight treatments including the use of wheat middlings, a corn diet, wheat middlings in combination with a corn diet, corn gluten feed, and distillers grain with solubles in comparison to a conventional 10-day feed withdrawal period.

The results of the Illinois research indicate that feeding a high wheat middlings diet, wheat middlings and corn combination diets or a corn gluten feed molt diet to initiate a molt in commercial layers may be an effective alternative to traditional feed removal methods. The feeding of a high wheat middlings molt diet particularly in the first study, and the feeding of this diet or a corn gluten feed diet appears to be effective in promoting cessation of lay and good comparable production performance compared to conventional feed withdrawal methods.

In addition, the continuous feeding of a high wheat middlings molt diet to initiate a molt did not negatively affect egg shell quality as measured by egg specific gravity in the latter stage of the postmolt egg production period. "In conclusion," stated Koelkebeck, "if the

commercial egg industry is forced by animal welfare/rights pressures to move towards using molting programs which utilize a non-feed removal method, then feeding a wheat middlings, corn-wheat middlings combination, or corn gluten feed diet to induce a molt might be considered."

Beak Trimming Gets Considerable Scrutiny

One of the most controversial topics of the day was handled by Dr. P. (Scotti) Hestor, Purdue University. Stated Dr. Hestor, "Egg laying strains of chickens are beak trimmed to reduce injuries and deaths due to feather pecking and cannibalism. Outbreaks of feather pecking and cannibalism can occur among hens in any type of housing system, and represent a serious welfare and production problem.

"An additional reason producers beak trim is to improve feed efficiency. Feed wastage, feed intake, and body weight are reduced in beak trimmed birds with no long-term effect on hen productivity and egg traits."

She went on to say that after weighing the evidence about the welfare advantages and disadvantages of beak trimming, it has been concluded that the welfare advantages currently generally outweigh the disadvantages. Using genetic stocks that require little or no beak trimming is the most desirable approach. However, under certain management systems (e.g., exposure to high intensity natural lighting) and with some genetic stocks, beak trimming is recommended to prevent feather pecking and cannibalism. Therapeutic beak trimming is recommended at any age if an outbreak of cannibalism occurs in a non-trimmed flock. A summary of the advantages and disadvantages of the practice is given in Table 1.

In a marketplace where consumers are paying more attention to welfare issues, new production techniques will be used to create a welfare-friendly appeal. These adaptations in production techniques will increase the cost of production and the subsequent product must be perceived by the consumer as value-added so he or she



The production panel featured discussion on molting, genetics, beak trimming and free farming.



Dr. Ken Koelkebeck provided an update on his research on molting practices.

Focusing on Layer Welfare

Table 1. Advantages and disadvantages of beak trimming

Advantages	Disadvantages
<ul style="list-style-type: none"> Reduced pecking, feather pulling, cannibalism Better feather condition Less fearfulness and nervousness Less chronic stress Decreased mortality 	<ul style="list-style-type: none"> Feeding behavior is reduced following beak trimming Short term pain Chronic pain is a possibility Acute stress experienced immediately after trimming

will be willing to pay more for the product.

Adele Douglass, American Humane Association, presented an outline of that group's Freedom Food Program based on a highly successful program started in Great Britain launched in 1994. The British program created a branded product by working with individual producers to sell under the Freedom Food label. The program has grown such that in the UK 77 million eggs per month are marketed through the program. It now represents 90 percent of all non-caged egg production in the UK or 25 percent of all retail shell eggs.

In her review of the American program, Douglass stated, "FFCP is a voluntary, user-fee based service available to producers and processors of animals raised for food. It is designed to provide independent verification that the care and handling of livestock and poultry on enrolled farms meets the welfare standards set forth by the American Humane Association."

Upon acceptance by the program, producers can use the Free Farmed logo on their respective products. In the egg program, producers cannot practice forced molting or use cages. From a cost point of view the AHA charges \$400 per year for a once a year inspection. Additionally, there is a 4 cent per case royalty.

What the Consumer Expects

Rounding out the Summit was a panel discussion on what the consumer expects from the egg industry with respect to welfare.

Kay Johnson of the Animal Agriculture Alliance discussed the welfare pressures on the layer and food service industries. Among the challenges facing the industry are the following:

- Environmental activists/ terrorists
- Efforts to give animals legal rights
- Development of various animal production standards
- Vast array of laws and regulations

imposed by governments pertaining to animal use

- Consumer scares - food safety
- Consumer scares - nutrition/ health
- Misrepresentation of individuals/ companies in animal use and research.

In addition, the industry faces a number of economic trends that will alter the way it does business. These factors include:

- Aging Baby Boomers representing older food producers with fewer going into production agriculture and whose task is to increase production while maintaining animal care with greater interest in disease prevention/cures
- Competition for natural resources
- Fear of biotechnology/genetic modification
- Portrayal to consumers of products tested on animals or food produced using modern animal production practices as bad or inferior
- Growing population disconnected from farm.

Johnson then showed the audience a number of examples of high profile campaigns by groups focusing on welfare issues. She also clearly pointed out that these groups have access to considerable funding with the ability to outspend the agricultural industries on public relations.

Nancy Byal, retired executive food editor for Better Homes & Gardens, challenged the attendees to keep in

touch with the demographics of the consumers. Stated Byal, "When the magazine looked at its readers, food issues, such as animal welfare, have been topics of concern with these readers for a long time. The good news: consumer confidence in the food supply is at an all-time high, with 94% registering they are very or somewhat confident in the 2001 study compared to only 75% in 1990!

"These consumers are vigilant: they report a greater level of awareness of food issues and they are acting on this awareness. Even more important, they are rejecting foods that fail to meet their standards. They are exploring and trying alternatives. A growing share of these respondents is proactive about options they perceive as safer or more morally ethical. In the last month (September 2002):

- 36% purchased food identified as 'natural',
- 23% purchased food identified as free of pesticides or chemicals,
- 22% purchased food identified as 'organic', and
- 16% shopped at a health or natural food store."

As she looked at animal agriculture, she offered the following observations:

1. Animals are your livelihood. The better you treat them, the more successful you are. Farmers and ranchers are still highly respected by consumers.



Kay Johnson, Animal Agriculture Alliance, Gary Stull, Pace Dairy Foods and Nancy Byal, Better Homes and Gardens, provided insights as to what the consumer believes and demands.

2. Animal husbandry is a science and an art—you depend on the animals you raise.

3. You must take charge, be proactive. You must establish, promote, and monitor high, scientifically sound standards of every aspect of the egg-producing process and then communicate these standards to consumers. The Animal Welfare Committee of the National Pork Board has taken this responsibility on in the pork industry. For producers, they are advancing education tools that will enhance animal well-being. For consumers, they are creating public understanding and awareness about producers' commitment to providing humane care.

4. Labor practices and human welfare (i.e. working conditions) are directly related to animal welfare and must also be addressed.

Summing up the UEP Position



UEP's Gene Gregory closed the Summit by outlining the efforts of the organization in working with customers on the development of science-based guidelines.

United Egg Producers' Gene Gregory closed the Summit with a review of the activities of UEP in becoming proactive in the welfare arena. He acknowledged the hard work and considerable time devoted to finding resolutions to the issues by the Scientific Advisory Committee of the UEP. Additionally, the UEP set up a Producer Committee for Animal Welfare to help implement the recommendations of the Scientific Advisory Committee.

The new guidelines are constantly under review and address housing and space allowances, beak trimming, molting and transportation/handling issues. Research on molting is being sponsored by UEP at the University of Illinois, University of Nebraska and North Carolina State. Training videos for dealing with animal welfare are in the works.

In order to provide industry with guidelines consistent across the industry's customers, UEP is working with the Food Marketing Institute for an umbrella set of uniform guidelines for food companies and egg producers.

Editor's Note: The proceedings from Summit IV: Focusing on Layer Welfare is available on CD in a self-launching PDF format. Copies may be purchased for \$50 plus handling and shipping. To obtain a copy, contact Denise Slager at (815) 734-5675 or e-mail at slager@wattmm.com.