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**EGG RESEARCH AND CONSUMER INFORMATION  
ACT AMENDMENTS OF 1993**

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Egg Research and Consumer Informati... **ING**  
E THE

**SUBCOMMITTEE ON LIVESTOCK  
OF THE  
COMMITTEE ON AGRICULTURE  
HOUSE OF REPRESENTATIVES**

**ONE HUNDRED THIRD CONGRESS**

**FIRST SESSION**

**ON**

**H.R. 1637**

**SEPTEMBER 14, 1993**

**Serial No. 103-39**



Printed for the use of the Committee on Agriculture

**U.S. GOVERNMENT PRINTING OFFICE**

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# EGG RESEARCH AND CONSUMER INFORMATION ACT AMENDMENTS OF 1993

TUESDAY, SEPTEMBER 14, 1993

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON LIVESTOCK,  
COMMITTEE ON AGRICULTURE,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 1:30 p.m., in room 1302, Longworth House Office Building, Hon. Harold L. Volkmer (chairman of the subcommittee) presiding.

Present: Representatives Condit, Hilliard, Stenholm, Holden, Long, Peterson, Gunderson, Smith of Oregon, Boehner, Goodlatte, and Pombo.

Staff present: Carl Rose, senior counsel; Julia M. Paradis, assistant counsel; John E. Hogan, minority counsel; Glenda L. Temple, clerk; Timothy P. De Coster, Dan McGrath, Perri D'Armond, and John Frank.

## **OPENING STATEMENT OF HON. HAROLD L. VOLKMER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI**

Mr. VOLKMER. The subcommittee will come to order.

The Subcommittee on Livestock is meeting today to review H.R. 1637, introduced by our colleague from Texas, Mr. Stenholm, the Egg Research and Consumer Information Act Amendments of 1993. Similar legislation was offered near the close of the last Congress following a review by the egg industry of its current research and promotion program and the need for changes.

This bill would make two substantive, straightforward changes to the current program: Increase the exemption ceiling, and allow producers to vote on increasing the assessment rate.

We will hear shortly from representatives of the commercial egg production industry as to why they believe these changes are needed, but first we will hear from members, including the sponsor of the bill, and then from the administration.

[H.R. 1637 follows:]

103D CONGRESS  
1ST SESSION

# H. R. 1637

To amend the Egg Research and Consumer Information Act, to accomplish an expansion of exemption eligibility from assessments under this Act and to authorize increased assessment rates if approved by producers.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1993

Mr. STENHOLM (for himself, Mr. BOEHNER, and Mr. HOLDEN) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Egg Research and Consumer Information Act, to accomplish an expansion of exemption eligibility from assessments under this Act and to authorize increased assessment rates if approved by producers.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Egg Research and  
5 Consumer Information Act Amendments of 1993”.



1 **SEC. 2. AMENDMENTS RELATING TO RATE OF ASSESSMENT.**

2 (a) AMENDMENTS TO SECTION 8.—Section 8(e) of  
3 the Egg Research and Consumer Information Act (7  
4 U.S.C. 2707(e)) is amended by—

5 (1) designating the first and second sentences  
6 as paragraph (1);

7 (2) designating the fifth and sixth sentences as  
8 paragraph (3); and

9 (3) striking out the third and fourth sentences  
10 and inserting in lieu thereof the following new para-  
11 graph: “(2) The rate of assessments shall be pre-  
12 scribed by the order, and shall not exceed 30 cents  
13 per case of commercial eggs or the equivalent there-  
14 of. The order may be amended to change the rate  
15 of assessment if recommended by the Egg Board  
16 and approved by egg producers in a referendum con-  
17 ducted under section 9(b).”.

18 (b) AMENDMENTS TO SECTION 9.—Section 9 of the  
19 Egg Research and Consumer Information Act (7 U.S.C.  
20 2708) is amended by—

21 (1) designating the first two sentences as sub-  
22 section (a);

23 (2) designating the last sentence as subsection  
24 (c); and

25 (3) inserting after subsection (a), as designated  
26 under paragraph (1), the following new subsection:

1           “(b)(1) Whenever the Egg Board determines, based  
2 on scientific studies, marketing analysis, or other similar  
3 competent evidence, that an increase in assessment rate  
4 is needed to ensure that assessments under the order are  
5 set at an appropriate level to effectuate the declared policy  
6 of this Act, the Egg Board may request that the Secretary  
7 conduct a referendum, as provided in paragraph (2).

8           “(2) When requested by the Egg Board under para-  
9 graph (1) or (3), the Secretary shall conduct a referendum  
10 among egg producers not exempt hereunder who, during  
11 a representative period determined by the Secretary, have  
12 been engaged in the production of commercial eggs, for  
13 the purpose of ascertaining whether such producers ap-  
14 prove the change in the assessment rate proposed by the  
15 Egg Board. The change in the assessment rate shall take  
16 effect if approved or favored by not less than two-thirds  
17 of the producers voting in such referendum, or by a major-  
18 ity of the producers voting in such referendum if such ma-  
19 jority produced not less than two-thirds of all the commer-  
20 cial eggs produced by those voting during a representative  
21 period defined by the Secretary.

22           “(3) With respect to the order in effect on the date  
23 of the enactment of this subsection, the Egg Board shall  
24 undertake to determine under paragraph (1), as soon as  
25 practicable after such date of enactment, whether to re-

1 quest that the Secretary conduct a referendum under  
2 paragraph (2). If the Egg Board makes such a request  
3 on competent evidence, as provided in paragraph (1), the  
4 Secretary shall conduct such referendum as soon as prac-  
5 ticable, but not later than 3 months after receipt of such  
6 request from the Egg Board.

7 “(4) Notwithstanding any other provision of this Act,  
8 whenever an increase in the assessment rate and the au-  
9 thority for additional increases is approved by producers  
10 in a referendum under this subsection, the Secretary shall  
11 amend the order as appropriate to reflect such vote of pro-  
12 ducers; and such amendment to the order shall become  
13 effective on the date it is issued.”.

14 **SEC. 3. AMENDMENT RELATING TO EXEMPT PRODUCERS.**

15 Section 12(a)(2) of the Egg Research and Consumer  
16 Information Act (7 U.S.C. 2711) is amended by striking  
17 out “30,000 laying hens” and inserting in lieu thereof  
18 “50,000 laying hens”.

19 **SEC. 4. AMENDMENT TO EGG PROMOTION AND RESEARCH**  
20 **ORDER.**

21 Notwithstanding any other provision of law:

22 (a) AMENDMENT.—The Secretary of Agriculture  
23 shall issue amendments to the egg promotion and research  
24 order issued under the Egg Research and Consumer Infor-  
25 mation Act (7 U.S.C. 2701 et seq.) to implement the

1 amendments made by this Act. Such amendments shall  
2 be issued after public notice and opportunity for comment  
3 in accordance with section 553 of title 5, United States  
4 Code, and without regard to sections 556 and 557 of such  
5 title. The Secretary shall issue the proposed amendments  
6 to such order not later than 30 days after the date of the  
7 enactment of this Act.

8 (b) **EFFECTIVE DATE.**—The amendments to the egg  
9 promotion and research order required by subsection (a)  
10 shall become effective no later than 90 days after the date  
11 of the enactment of this Act, and shall not be subject to  
12 a referendum under the Egg Research and Consumer In-  
13 formation Act.

○

Mr. VOLKMER. At this time the Chair would like to recognize the gentleman from Wisconsin, Mr. Gunderson.

**OPENING STATEMENT OF HON. STEVE GUNDERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN**

Mr. GUNDERSON. Thank you very much, Mr. Chairman. I appreciate the opportunity to be here.

We are pleased to welcome the Acting Administrator for AMS and members of the American egg industry to testify on behalf of H.R. 1637, introduced by our colleagues, Mr. Stenholm and Mr. Boehner.

The importance of the American egg industry, which produces over 70 billion eggs annually, cannot be overemphasized. I look forward to receiving their testimony on the impact of an increase in the potential assessment on producers with 50,000 laying hens from \$0.10 to \$0.30 per case will have on individual producers not exempt from the assessment in the industry as a whole, as well as the annual activities of the Egg Board.

I am also interested in their respective opinions on the level of actual assessment to fully fund the authorized activities of the Egg Board.

Finally, Mr. Chairman, there has been some discussion about creating a formal arrangement between the Egg Board and the various State egg promotion programs, like those we have in our other Federal commodity research and promotion programs, where a portion of the Federal revenues is provided to qualified State programs to assist in the funding of their activities. It would be helpful to have the commentary of our witnesses today on whether such an arrangement might work in our Federal egg research and promotion program, as well.

With these thoughts in mind, I look forward to a meaningful dialog before which I would simply note that it is nice to have a hearing on a promotion program where there is not the controversy we have in some of the other promotion programs.

Mr. VOLKMER. Thank you.

The Chair will now recognize the sponsor of the legislation, the gentleman from Texas.

Mr. STENHOLM. I thank the chairman very much for scheduling this hearing for prompt action on this legislation. You and Mr. Gunderson have thoroughly explained it. There are some relatively minor changes in existing legislation; the differences have been worked out. I do believe it is noncontroversial. It is another step in the right direction as far as self-help programs are concerned. I commend you for holding this hearing and look forward to working with you to see that this legislation becomes law.

[The prepared statement of Mr. Stenholm follows:]

FLOOR STATEMENT BY  
CONGRESSMAN CHARLES W. STENHOLM  
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

REGARDING  
THE EGG RESEARCH AND CONSUMER INFORMATION ACT  
AMENDMENTS OF 1993

APRIL 1, 1993

Mr. Speaker, I rise today to introduce a bill to amend the Egg Research and Consumer Information Act, the statute authorizing a commodity promotion and research program for the egg industry.

If enacted, this legislation would enable egg producers to vote in a referendum to increase their assessment level from its current rate of five cents per case up to a maximum rate of 30 cents per case. The bill would also raise the exemption level from egg producers with 30,000 or less laying hens to egg producers with 50,000 or less laying hens, which is a more accurate description of a small egg producer today. Thus, any egg producer with 50,000 or less layers would not be required to pay an assessment.

The reason I have been such a staunch supporter of the egg checkoff program and other programs like it is because of the many benefits these programs offer agricultural producers and consumers alike. From the development of food handling and safety information for foodservice operations, the research into the relationship between dietary cholesterol and blood cholesterol, the egg "checkoff" program has provided producers and consumers with valuable information -- without asking the Federal Government to pick up the tab.

Through a collective assessment, the egg industry and others have been able to fund many vital promotion and educational programs, which have helped maintain and expand the market for their products, while enhancing their ability to compete and grow in the future. Working together to improve their product through research, promotion and consumer information is one of the best ways to anticipate and prepare for market changes, respond to consumer demand and position the industry for success.

In order to better meet current and future challenges, the egg industry needs to be prepared financially to accomplish the goals of their research and promotion program. This bill provides egg producers with that opportunity, by enabling them to vote on an increased assessment level, provided it does not exceed the 30 cents per case cap in this bill. Of course, any increase would have to be approved in referendum by two-thirds of egg producers voting, or a majority of producers if that majority is responsible for at least two-thirds of the egg production of voting producers.

Mr. Speaker, I urge my fellow members to join in support of this proposed legislation, and urge its passage in the House.

Mr. VOLKMER. Thank you.

The Chair will now recognize the gentleman from Oregon.

Mr. SMITH of Oregon. No statement, Mr. Chairman.

Mr. VOLKMER. The Chair will recognize the gentleman from Ohio.

Mr. BOEHNER. Thank you, Mr. Chairman.

As Ohio is the fourth largest State when it comes to egg production, I am glad to join with my great colleague from Texas, Mr. Stenholm, in putting this bill forward to make the changes that are necessary to ensure that we have a strong egg promotion program. I look forward to hearing the testimony of the witnesses.

[The prepared statement of Mr. Bohner follows:]



STATEMENT OF THE HONORABLE JOHN BOEHNER  
BEFORE THE SUBCOMMITTEE ON LIVESTOCK  
SEPTEMBER 14, 1993

Mr. Chairman, I thank you for holding this hearing on H.R. 1637, the Egg Research and Consumer Information Act Amendments of 1993. Ohio is fourth in the nation in egg production and I am proud to be an original sponsor of this important legislation. This legislation is strongly supported and needed by the entire egg industry.

These proposed amendments to the current Egg Act would provide further protection to smaller producers by increasing the exemption level for producers from 30,000 to 50,000 hens and allow producers to participate in a referendum to increase their assessment. These changes would afford a greater level of protection to small producers while giving the industry more control over their industry.

The egg checkoff program allows producers an opportunity to expand and maintain markets for their products. Through a variety of educational programs, consumers become more aware of the benefits of egg consumption. Consumers also benefit from this producer-paid program from the industry's efforts to promote food safety within the foodservice industry, as well as in the home. While the costs of operating these programs have increased, the assessment collected to fund these efforts has not. In order to maintain the kind of programming necessary to meet the ongoing and future challenges faced by the egg industry, it must have the power to increase its funding levels to match its needs. H.R. 1637 will provide the egg industry with that opportunity.

Ohio's producers have directly benefited from these programs. Over the past few years, consumption as well as egg production in Ohio has greatly increased. Ohio is a perfect example of what an industry can accomplish when the federal and state checkoff programs work together. I remain hopeful that this partnership will continue.

I look forward to working to pass this legislation during this session and would again like to thank Chairman Volkmer for holding this hearing.

Mr. VOLKMER. Do any other members wish to make opening statements?

[No response.]

Mr. VOLKMER. With that, the Chair will now recognize our first witness, Mr. Clayton, Acting Administrator, Agricultural Marketing Service, U.S. Department of Agriculture.

Your statement will be made a part of the record. You may either review the statement in full or summarize, however you so desire.

I want to thank you for being here today to give us the Department's view on the legislation. Thank you very much, Mr. Clayton.

**STATEMENT OF KENNETH C. CLAYTON, ACTING ADMINISTRATOR, AGRICULTURAL MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY MICHAEL HOLBROOK, DIRECTOR, POULTRY DIVISION**

Mr. CLAYTON. Thank you, Mr. Chairman, and good afternoon to you and members of the subcommittee.

I appreciate this opportunity to appear before your subcommittee to discuss H.R. 1637, the Egg Research and Consumer Information Act Amendments of 1993. Accompanying me today is Michael Holbrook, Director of the Poultry Division of the Agricultural Marketing Service.

Mr. Chairman, the Department has no objection to the enactment of H.R. 1637 if amended as outlined in our testimony.

H.R. 1637, if enacted, will amend the Egg Research and Consumer Information Act to increase the current exemption level from assessments under the act from 30,000 laying hens to 50,000 laying hens. This change, if effected, would result in an estimated 127 fewer producers being subjected to the assessment provision of the act, representing approximately 2 percent of the current total income, or about \$150,000 annually. The bill would increase the current \$0.10 cap to \$0.30 per case. It would also authorize the American Egg Board to request a change in the assessment rate if it determines, through scientific studies, marketing analyses, or other competent evidence, that a change in the assessment rate is necessary to achieve the policy goals of the act. Any increase in the assessment, which we would anticipate would be on an incremental basis, would be subject to industry approval in referendum. Referendum approval would require two-thirds of the producers voting in a referendum, or a majority of those voting if they produced not less than two-thirds of the commercial eggs produced during a representative period. If the referendum addressing the proposed changes were not approved, the existing program would remain in effect.

While the Department has no objection to the conduct of referenda to determine industry approval of any increases in the assessment rate, we would recommend that any decreases sought by the industry be instituted through the informal rulemaking process. We would be pleased to work with the committee to draft appropriate language to accommodate such a provision.

Further, the bill requires the Secretary to issue proposed amendments to the Egg Research and Promotion Order not later than 30 days after enactment of the amended act, and a final regulation not later than 90 days following enactment. The Department believes

these timeframes to be unnecessarily burdensome and would urge the subcommittee's consideration of a timeframe not to exceed 180 days for this process. This would allow a more reasonable time for development, clearances for legal sufficiency and economic impact, and public comment.

Estimated departmental costs associated with the implementation of the provisions of H.R. 1637, including costs for the conduct of a referendum, would be approximately \$20,000. Such costs would be fully reimbursable to the Department from industry assessments collected pursuant to the act.

My testimony provides a summary of the act's provisions, implementation, expenditures for fiscal years 1988 through 1992, and enforcement actions to date.

Mr. Chairman, this concludes my statement. We will be glad to respond to any questions that you or the committee might have.

[The prepared statement of Mr. Clayton appears at the conclusion of the hearing.]

Mr. VOLKMER. Thank you very much, Mr. Clayton.

I will begin with the gentleman from Wisconsin. Any questions?

Mr. GUNDERSON. Just one quick question.

Mr. Clayton, in your testimony you indicate that there is a potential—we could have a total decrease in revenue to the Egg Board of something like \$150,000 if the bill passes and producers don't vote to increase their assessments. You also project a \$20,000 cost for the referendum; that's \$170,000.

What is the impact of that on the promotion program if we have those kinds of negative results?

Mr. CLAYTON. I think, Mr. Gunderson, the point of the amendments in fact is to find a way to increase the assessments by some amount deemed reasonable by the industry and by the Department. I think rather than talk about the impact that a \$170,000 decrease would have on the program, I expect that in the spirit of the amendments the issue is probably more on the positive side. If in fact additional assessments can be generated, what additional kinds of activities might the Egg Board undertake?

But not to totally avoid your question, certainly, the Egg Board is working off of a base in the area of about \$7.7 million right now; \$170,000 off of \$7.7 million, while probably significant in its own right, clearly is a relatively minor portion of the total budget.

Mr. GUNDERSON. Thank you.

Mr. VOLKMER. Mr. Clayton, I would like to ask about the two areas where you have concerns with the legislation. We will talk to the producers' representatives in the next panel.

I would agree with you that any decrease in the assessment would probably be a lot easier to handle through an informal rule-making than going through another referendum, because I think it would probably be approved anyway. I'm sure we could draft some legislation that would be agreeable to the sponsors as far as that is concerned.

The next part, I have a little bit of concern about the need for 180 days because if this was a whole new program and we were starting off from scratch and doing regulations right from the beginning on the whole thing, I can see the need for that timeframe.

But here we're talking about two basic changes in existing regulations, correct?

Mr. CLAYTON. Yes.

Mr. VOLKMER. One is saying that the exemption should be 30,000. That's not a great economic impact; that's not a big legal matter to work out. I think that's pretty clear, what it says.

I think the other thing is pretty clear, as to the Egg Board having the right to increase the assessment, but you have to have a referendum. I doubt if your regulation is going to be much different from the statutory language, is it?

Mr. CLAYTON. I suspect it would reflect largely the language in the statute.

Mr. VOLKMER. Now, I understand—and again, I'll ask this question of the board and perhaps you can have Mr. Holbrook—if you have to leave, that will be fine, but I would like for them to stay during their testimony, because there were amendments back in 1989 to this act. As I understand it, the regulations on those amendments were done in about the timeframe that is required in this bill. I'm just curious as to why you wouldn't be able to do it on these, also.

Do you understand?

Mr. CLAYTON. Yes, sir. If I might try to respond to your question.

Mr. VOLKMER. Yes, please.

Mr. CLAYTON. Mr. Chairman, I think one probably ought not to focus so much on 180 days as the time it will take us to do it, but more as the outside limit. We, too, would expect that it could be done in something less than 180 days.

The fact remains, though, that for a regulation to go through the process, while granted that a more complicated regulation may take more time, and you are certainly right in terms of economic impact analysis and these kinds of things, nonetheless the number of steps that a regulation must go through in the clearance process is in no way related to the complexity of the regulations. There are just a number of steps which must be proceeded through, and this would be no exception.

Certainly, our intent would be to try to meet the intent of this subcommittee and come as close to the 90 days as we possibly could, but there are a number of steps that we have to go through. We do not want to disappoint you and your fellow members of this subcommittee by exceeding those timeframes. It is our experience that no matter how simple a rule might be, that given the number of steps it must go through, sometimes it could take longer than 90 days.

Mr. VOLKMER. All right. I understand that. In other words, every rule would have to go out for public comment; and if you get 10,000 or 20,000 responses, it's going to take longer than if you only get 10 or 15. I recognize that.

Mr. CLAYTON. That's certainly true.

Mr. VOLKMER. I think we'll have to discuss this. In other words, what you are basically saying is that you want this 180 days more as an outside limit so that in the event that something does happen along the way to delay it, and you do run to 95 days, 98 days, or 110 days, you're still not in violation of the statute?

Mr. CLAYTON. That would be correct.

Mr. VOLKMER. I have no further questions.

Does the gentleman from Texas have any questions?

Mr. STENHOLM. You have answered the two questions that I, too, was going to ask.

I was just curious; you said, "Some of the steps that we must go through could take a little longer." In light of the fact that we're about to reinvent Government and the USDA, have you already taken a look at these steps to see where we might have an amendment as part of this legislation to eliminate some of these steps because they might be unnecessary? Or are these steps all necessary? Or do you know? And if you don't know, that's fine for right now.

Mr. CLAYTON. I think, Mr. Stenholm, that the bulk of the steps that are necessary are prescribed in the Administrative Procedures Act.

Mr. STENHOLM. That's not a good enough reason.

Mr. CLAYTON. Well, for those of us who live under the APA, we unfortunately do have to follow the steps that are laid out in that act.

Mr. STENHOLM. Could it be that we could make some recommendations to make that act a little easier to conform with when we have these kinds of questions? Have you looked at that as yet as part of reinventing Government?

Mr. CLAYTON. That's probably a question that I can't respond to today.

Mr. STENHOLM. Before we get into the markup stage, I would be appreciative if you would take a general, cursory look at that to see whether or not that's one of the areas of redtape that we might help ourselves in.

Mr. CLAYTON. Certainly.

Mr. STENHOLM. Thank you.

Mr. VOLKMER. The gentleman from Oregon.

Mr. SMITH of Oregon. Thank you, Mr. Chairman.

Well, if you can't cut it down from 180 days for two tiny steps for eggs, what's left in life? [Laughter.]

Mr. Clayton, what's the economy of size in the number of hens that I need to make a living?

Mr. CLAYTON. Mr. Smith, I don't want to be evasive. I'm not sure I know the answer to that. Perhaps some of the gentlemen here from the industry group, when their turn comes, would be in a better position to answer that for you.

The only observation I might make is that it's my understanding that the portion of the amendment which would increase the exemption level from 30,000 hens to 50,000 hens would effectively remove about 20 percent of the producers subject to the act, while only eliminating 2 percent of the assessments. That would suggest that there are a number of producers that are at the smaller end of the spectrum, at least in that 30,000 to 50,000 hen range. But beyond that, I would defer to the industry representatives to help you on that.

Mr. SMITH of Oregon. I thank you. The obvious reason for my question is simply that if it takes 100,000 hens to make a living, then a 50,000 exemption is not out of line. If you can't make a living on 50,000 hens, you probably ought to be exempted from the act. The point is simply that it sounds reasonable to me. Maybe it

ought to be even higher; I don't know. But to reduce a \$7 million program by only \$150,000 doesn't seem to me to be very important, and if you can't make a living on 50,000 hens, then the assessment ought not to be applied.

I am speaking in favor of the legislation. Thank you.

Mr. VOLKMER. Does the gentleman from Pennsylvania have any questions?

Mr. HOLDEN. No questions, Mr. Chairman.

Mr. VOLKMER. The gentleman from Ohio.

[No response.]

Mr. VOLKMER. Any questions.

[No response.]

Mr. VOLKMER. OK, thank you very much, Mr. Clayton. We appreciate your testimony here today. We would appreciate it if you or your staff would get together with my staff and that of the gentlemen from Texas and Ohio to try to get this worked out on these two areas right away.

Mr. CLAYTON. We would be pleased to help you on that.

Mr. VOLKMER. Thank you very much.

Mr. CLAYTON. Thank you.

Mr. VOLKMER. Our next panel, Mr. Doug Hoffer, vice president of Crystal Lake/Marketing, Creighton Brothers, Warsaw, Indiana; Mr. Gilbert B. Eckhoff, president and CEO, Henningsen Foods, Inc., Omaha, Nebraska; and Mr. Fred Adams, CEO, Cal-Maine Egg Products, Jackson, Mississippi.

Gentlemen, your statements will be made a part of the record. You may either review the statement in full or summarize, however you so desire. We will hear from each of you in the order in which you were called to the table.

We will begin with Mr. Hoffer.

#### **STATEMENT OF DOUG HOFFER, CHAIRMAN, RIGHT CHOICE TASK FORCE**

Mr. HOFFER. Thank you, Mr. Chairman. I appreciate the opportunity to appear before the subcommittee today. I am appearing on behalf of the Right Choice Committee, an informal group of egg producers and industry representatives who have come together in order to secure approval of an amendment to the Egg Research and Consumer Information Act.

My name is Doug Hoffer. I am vice president of processing and marketing for Creighton Brothers, which is a diversified farming operation located near Warsaw, Indiana.

The proposed amendment would permit the industry to vote to increase the assessment for the American Egg Board, and would exempt producers with less than 50,000 laying hens from the assessment.

Mr. Chairman, I am proud to have been a part of the egg industry for three decades and to have been a supporter of the industry's effort to improve acceptance of and demand for its product during my career. I believe that agricultural producers must aggressively improve their ability to market their products, as well as their production ability, if they are to remain competitive.

The Egg Research and Consumer Information Act, which authorizes the American Egg Board and which this legislation, H.R. 1637,

would amend, was enacted in 1974. The American Egg Board program has a proud tradition. In the 1970's it had one of the most successful commodity promotion programs of any agricultural commodity. In fact, American Egg Board's success in those early years was an inspiration for other commodity groups to seek approval for their own generic promotion programs.

National advertisements for the "incredible, edible egg" encouraged consumers to look more favorably on eggs and to increase per capita consumption of eggs. Unfortunately, the funding level that the statutory rate of assessment provided, \$0.05 per case, was not enough for the American Egg Board to continue a significant national advertising campaign. In the face of double-digit inflation, cost increases were such that our industry could no longer afford to keep its campaign afloat.

In 1988, with the help of this subcommittee, our authorizing legislation was amended to eliminate the refund provision. This step was supported by over 90 percent of the egg production in the United States. As a result, our program now has an annual budget of a little over \$7 million, which has significantly contributed to its added success in recent years. Unfortunately, \$7 million is not enough to allow for an effective national advertising campaign. If the egg industry is to halt the slide in per capita consumption of eggs, it must have the advertising and promotional dollars to compete with breakfast cereals and other foods. The producers of these products spend millions of dollars on a regular basis to encourage people to buy more expensive and less nutritional products than eggs.

H.R. 1637 would give egg producers the ability to vote to increase their assessments to a level they think appropriate to get the job done. The legislation would authorize the American Egg Board to request that the Secretary conduct a referendum on any increase in the assessment. The American Egg Board would make its request for such an increase based on scientific studies, market analyses, and other evidence, such as producer polls which would indicate support for such an increase. A vote could be requested to move to any level of assessment up to \$0.30 per case of commercial eggs, or the equivalent.

The change in the assessment rate could take place only if approved by at least two-thirds of the producers voting in the referendum, or by a majority of the producers who produce not less than two-thirds of all commercial eggs produced by those voting in the referendum.

Mr. Chairman, the upper limit of \$0.30 per case for assessment should provide plenty of flexibility for the egg industry. It is not expected that the American Egg Board will request a referendum to raise the assessment from \$0.05 per case to \$0.30 per case all at once. It is expected that the industry will increase their rate of assessment gradually.

However, we feel that the authority to move up to \$0.30 per case should be provided in the law so that we, as an industry, do not have to come back to Congress each time we might wish to increase the assessment.

We feel that the referendum mechanism provides proper assurances that assessment increases can only be made if the industry

is solidly behind it. This is especially true in our program because of the requirement of a super majority rather than a simple majority, as with most other commodity checkoff programs.

In addition, H.R. 1637 would raise the exemption level from 30,000 to 50,000 laying hens. It has always been the policy under the Egg Research and Consumer Information Act to assess only commercial egg producers for the funding of the American Egg Board program. Gradually over the years the industry has changed, requiring greater economies of scale in order to be competitive. Therefore, the definition of a commercial flock has changed accordingly, with the minimum commercial flock size increasing. By exempting all producers with less than 50,000 laying hens, we believe we would be assessing the overwhelming majority of egg production and would be confining the assessment to those who are truly commercial egg producers.

In closing, Mr. Chairman, I would like to thank the subcommittee for all the assistance provided to the egg industry over the years. As you know, egg producers do not have a supply management or price support program. We operate solely on the basis of supply and demand. However, we have come to this committee from time to time on other issues, such as our promotion program, and you have always been quite responsive. We appreciate your continued support.

[The prepared statement of Mr. Hoffer appears at the conclusion of the hearing.]

Mr. VOLKMER. Thank you very much.

We have a vote on right now, so we will hear from Mr. Eckhoff and Mr. Adams after we return from the vote.

But before we leave for the vote, in order to expedite things for members, I'm going to ask unanimous consent that the subcommittee go into a business session immediately. No objection, so ordered.

[Whereupon, at 1:55 p.m., the subcommittee proceeded to further business.]

[Recess taken.]

[Whereupon, at 2 p.m., the subcommittee was reconvened.]

Mr. VOLKMER. The subcommittee will resume.

We will now hear from Mr. Eckhoff.

#### **STATEMENT OF GILBERT B. ECKHOFF, PRESIDENT AND CHIEF EXECUTIVE OFFICER, HENNINGSEN FOODS, INC.**

Mr. ECKHOFF. Thank you, Mr. Chairman, and good afternoon. In the interest of your time I condensed my remarks dramatically while you were gone.

I am Gil Eckhoff, president and chief executive officer of Henningsen Foods, Inc., of Omaha, Nebraska and White Plains, New York. We are a producer of shell eggs as well as a major further processor for egg products. Our company is 105 years old, so therefore we have been involved in the egg business for a long time. I served on the American Egg Board for about 12 years, with 3 years as chairman, and I support the amendments to the egg checkoff legislation as provided in H.R. 1637.

These changes are also supported by the majority of egg producers in the United States and are needed to maintain and expand



the important programs carried out by AEB on behalf of the U.S. egg industry. The fact is that we need not only to continue our current efforts, but to increase them considerably in the future if we are to achieve a reasonable level of competitiveness in the marketplace. Cereal manufacturers, our major breakfast competitors, spent \$823 million advertising their products in 1992. Frozen waffle manufacturers spent \$45 million.

Producers of other agricultural commodities with checkoffs are effectively advertising their products at much higher levels than we in the egg industry. For example, AEB is spending about \$3 million annually on advertising. It estimated that the National Dairy Board spends about \$150 million; the Beef Board, about \$22 million; and the Pork Board, about \$12 million. So if we're going to compete, we're simply going to have to do a better job, and this takes funding, and funding at levels that most individual egg producers could never achieve on their own. Through AEB, however, we can make our industry goals a reality. We're not gambling with our money; the egg checkoff program has already proved itself time and time again. This is why we are willing, as they say, to "put our money where our mouth is," because we know that we stand to gain when we are united behind our product and committed to building and maintaining a strong egg industry.

The American Egg Board has established many programs to accomplish these goals. One area on which we have worked particularly hard and on which I would like to focus today is the area of nutrition.

Through AEB we have established the Egg Nutrition Center, which is an organization to assist egg producers and processors in providing consumers, health professionals, the scientific community, and the media with accurate information about eggs and egg products. A wealth of educational materials has been created to reach health professionals and consumers alike.

The American Egg Board has a scientific advisory panel of well-known and respected scientists and physicians to advise us on programs, nutrition research, and other issue areas, and to provide expertise for consumers and the media as needed. Due to the large number of consumers over the age of 65, a panel of independent scientific experts formulated practical diet, health, and lifestyle guidelines for this group. The findings of the panel have developed into a paper titled "Nutritional Needs of the Elderly."

Through AEB grants, nutritional education programs have been developed at Baylor College of Medicine and Harvard Medical School. AEB is sponsoring a faculty education project at Harvard Medical School to train instructors to teach nutrition to physicians and medical students. The objective is to reach future physicians with accurate information about cholesterol and egg nutrition. AEB has funded independent research that demonstrates that eggs are not the culprit in increasing blood cholesterol levels in a healthy population. The results of an AEB study at Columbia University in which the effects of eating zero, 1, 2, and 4 eggs per day on a low-fat diet are expected to be published in a major medical journal soon.

In order for our industry to be best served by our checkoff program, these kinds of efforts must continue and be expanded in the

future. This cannot be accomplished without additional funding, and I believe the egg industry is up to the task of raising these funds through the checkoff program. We respectfully request your assistance in enabling the industry to meet the challenges before it by authorizing an increase in our assessment rate cap through amendments contained in H.R. 1637.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Eckhoff appears at the conclusion of the hearing.]

Mr. VOLKMER. Mr. Adams.

**STATEMENT OF FRED ADAMS, CHIEF EXECUTIVE OFFICER,  
CAL-MAINE FOODS**

Mr. ADAMS. Thank you, Mr. Chairman. My name is Fred Adams. I am from Jackson, Mississippi. My company operates egg farms in several States, including Ohio, Missouri, and Texas. I am here to testify in favor of H.R. 1637.

I have been involved with the American Egg Board since its inception back in the 1970's, and I can assure the subcommittee that the industry leadership in the American Egg Board has done its job well. We have had good oversight from USDA. The fact that the money has been well spent, I think, justifies our going to the industry and asking for additional funds. Certainly, as Mr. Hoffer and Mr. Eckhoff have pointed out, it takes a lot of money to get the proper promotion and research job done, and we think this addition to the checkoff amount is justified. We think that the industry will support it, and we hope that the subcommittee will make this recommendation to approve this. We thank you very much for your attention today. Thank you.

[The prepared statement of Mr. Adams appears at the conclusion of the hearing.]

Mr. VOLKMER. We have another vote on the floor, but before that, I have a couple of questions. Since we have already reported the bill from the subcommittee, that's why some of the members aren't back here. You have already accomplished your job. We will work with the USDA before we take it up in full committee to try to clean up the language.

Mr. Clayton of USDA mentioned in his testimony that in the event there would be opportunity to decrease the assessment, it would be a lot easier doing it through simple rulemaking than to have a referendum. Do you disagree with that?

Mr. HOFFER. No, Mr. Chairman, we would agree with that.

Mr. VOLKMER. You would agree with that? So you have no problems with that part of it?

Mr. HOFFER. No, sir.

Mr. VOLKMER. He also mentioned that 90 days may be a time-frame in which he may have some difficulty—may not, but may. We will probably discuss that, staff and everybody, later on. Hopefully we can get to a solution that is agreeable to everybody on that, and then I think we shouldn't have too much difficulty in moving the legislation through the House. I don't know how it looks in the Senate.

The last question I wanted to ask is this. The gentleman from Oregon, a good friend of mine, was wondering how many eggs you

have to produce in order to break even or make a living or what, because of the 50,000 exemption. I guess a lot would depend on how good a businessman you are, as well as how many eggs you produce, correct?

Mr. ADAMS. There are lots of variables there. If you have a niche market or some unusual circumstances, you might make a living out of a smaller number of hens than you would otherwise. But we think that the 50,000-hen exemption cutoff is somewhere in the ballpark of what is a full-time sized operation that you could make a living out of. So we are exempting all those.

Mr. VOLKMER. All those underneath that, even though some of those may be partially commercial?

Mr. ADAMS. Surely.

Mr. VOLKMER. In other words, they may be doing something else besides raising eggs, and that would be a partial income. But they wouldn't have to pay the assessment.

Mr. ADAMS. Correct, sir.

Mr. VOLKMER. When are we going to have two-egg-a-day hens? [Laughter.]

Mr. ADAMS. Well, we have a few that lay two now, but there's just not enough of them. [Laughter.]

Out in west Texas we had one that laid three, Congressman. [Laughter.]

Mr. VOLKMER. Mr. Hoffer.

Mr. HOFFER. Mr. Chairman, for the record, if I could, there was a comment that came up today during the hearing with regard to State program funding concerns. Any change of this nature to the legislation at this time would or could be very controversial. We believe that any State concerns can and should be addressed through other avenues.

Thank you.

Mr. VOLKMER. With that, we are going to adjourn the hearing. I appreciate your testimony here today. It has been very helpful. As sure as we can work everything else out, I'm sure that we will communicate with the chairman of the full committee and see if we can't move this bill right along.

The gentleman from Texas has done you a good job.

[Whereupon, at 2:25 p.m., the subcommittee was adjourned, to reconvene, subject to the call of the Chair.]

[Material submitted for inclusion in the record follows:]

Statement of Kenneth C. Clayton, Acting Administrator  
Agricultural Marketing Service  
United States Department of Agriculture  
before the  
Subcommittee on Livestock  
House Committee on Agriculture  
on H.R. 1637  
September 14, 1993

Good afternoon, Mr. Chairman and Members of the Committee. I appreciate this opportunity to appear before your Committee to discuss H.R. 1637, the Egg Research and Consumer Information Act Amendments of 1993. Accompanying me today is Michael Holbrook, Director of the Poultry Division of the Agricultural Marketing Service (AMS).

The Department has no objection to the enactment of H.R. 1637 if amended as outlined in our testimony.

H.R. 1637, if enacted, will amend the Egg Research and Consumer Information Act (the Act) to increase the current exemption level from assessments under the Act from 30,000 laying hens to 50,000 laying hens. This change, if effected, would result in an estimated 127 fewer producers being subjected to the assessment provision of the Act representing approximately 2 percent of the current total income or about \$150,000 annually. The bill would increase the current 10 cent cap to 30 cents per case, and authorize the American Egg Board to request a change in the assessment rate if it determines, through scientific studies, marketing analyses or other competent evidence, that a change in the assessment rate is necessary to achieve the policy goals of the Act. Any increase in the assessment, which we would

anticipate would be on an incremental basis, would be subject to industry approval in referendum. Referendum approval would require two-thirds of the producers voting in a referendum or a majority of those voting if they produced not less than two-thirds of the commercial eggs produced during a representative period. If the referendum addressing the proposed changes were not approved, the existing program would remain in effect.

While the Department has no objection to the conduct of referenda to determine industry approval of any increases in the assessment rate, we would recommend that any decreases sought by the industry be instituted through the informal rulemaking process. We will be glad to work with the Committee to draft appropriate language to accommodate such a provision.

Further, the bill requires the Secretary to issue proposed amendments to the Egg Research and Promotion Order not later than 30 days after enactment of the amended Act and a final regulation not later than 90 days following enactment. The Department believes these timeframes to be unnecessarily burdensome and would urge the Committee's consideration of a timeframe not to exceed 180 days for this process. This would allow a more reasonable time for development, clearances for legal sufficiency and economic impact, and public comment.

Estimated departmental costs associated with the implementation of the provisions of H.R. 1637, including costs for conduct of a referendum, would approximate \$20,000. Such costs would be fully reimbursable to the Department from industry assessments collected pursuant to the Act.

Exhibit I of my testimony provides a summary of the Act's provisions, implementation, expenditures for fiscal years 1988-1992, and enforcement actions to date.

Mr. Chairman, this concludes my statement. We will be glad to respond to any questions the Committee may have.

(Attachment follows:)

## EGG RESEARCH AND PROMOTION

AUTHORIZING STATUTE: Egg Research and Consumer Information Act of 1974 (7 U.S.C. 2701 et seq.)

SUMMARY OF PROVISIONS: The American Egg Board consists of 18 members and 18 alternates appointed by the Secretary from nominations submitted by 39 USDA-certified egg producer organizations in 6 regions. The program is funded by a nonrefundable assessment of 5 cents per 30-dozen case of commercial eggs marketed. Assessments are collected from producers by handlers. Section 15 of the Act authorizes the Secretary to impose civil penalties and/or cease and desist orders against persons found to be in violation of the Act, Order, or regulations, after such persons are provided with an opportunity for an administrative hearing before an administrative law judge. A civil penalty of not less than \$500 or more than \$5,000 may be assessed for each violation. Revenues generated annually approximate \$7.7 million and are used to fund a variety of promotion, nutrition, research, and education activities. The Act required that a referendum be conducted prior to implementation of the program and that the Order be favored by at least two-thirds of producers voting or a majority of producers representing at least two-thirds of the volume of eggs produced by all voters.

IMPLEMENTATION: The Egg Research and Promotion Order was issued on December 22, 1975. Implementation was through formal rulemaking. A referendum was conducted November 3-28, 1975, by the Poultry Division, Agricultural Marketing Service (AMS). Seventy-three percent of eligible producers approved the program. Refundable assessments began August 1, 1976, through issuance of Rules and Regulations following informal rulemaking.

The Order was amended effective January 1, 1989, to implement 1988 amendments to the Act which provided for (1) elimination of the refund provision for 18 months and (2) establishment of an escrow account from which producers could request a one-time refund. Implementation was through informal rulemaking. A referendum was conducted July 16-August 10, 1990, to determine whether producers favored continuation of nonrefundable assessments. The referendum passed decisively, with 84 percent of producers supporting elimination of refunds.

The Order was further amended March 1, 1990, through informal rulemaking to implement a 1989 amendment to the Act. The amendment exempts producers owning 30,000 or fewer laying hens from paying assessments. The previous exemption level was 3,000 hens.

The assessment rate has been changed twice through informal rulemaking. The Rules and Regulations were revised on September 1, 1987, to decrease the rate from 5 cents to 2.5 cents. On October 1, 1989, the rate was restored to 5 cents.

PROGRAM					
EXPENDITURES:	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992<sup>1</sup></u>
	-----\$1,000-----				
Total Assessments	3,782	4,376 <sup>2</sup>	7,385	7,638	7,678
Refunds	1,650	341 <sup>3</sup>	--	--	--
Net Assessments	2,133	4,035	7,385	7,638	7,678
Other Funds	71	88	651 <sup>4</sup>	242	164
Total Funds					
Available	2,204	4,123	8,036	7,880	7,842
Board Expenses:					
Promotion <sup>5</sup>	303	679	3,859	4,143	4,993
Nutrition <sup>6</sup>	1,015	1,360	1,189	1,374	1,637
Education	350	381	396	540	504
Other Activities <sup>7</sup>	540	520	587	616	690
Administration <sup>8</sup>	402	403	420	445	456
Reimbursements to USDA	46	40	52	67	60

<sup>1</sup> Actual totals.

<sup>2</sup> Reflects increase in assessment rate to 5 cents per 30-dozen case beginning Oct. 1, 1989.

<sup>3</sup> Includes refunds actually paid on eligible 1988 assessments plus 10 percent placed in escrow account beginning Jan. 1, 1989.

<sup>4</sup> Includes monies from refund escrow account which reverted to the Board after passage of 1990 referendum.

<sup>5</sup> Includes advertising and foodservice promotion.

<sup>6</sup> Funding for the Egg Nutrition Center and Cholesterol Action Program.

<sup>7</sup> Includes funding for industry relations, State and regional support, materials distribution, long-range planning, product and market development, and cooking contests.

<sup>8</sup> Also includes compliance activities and Board meeting expenses.



ENFORCEMENT ACTIONS: The majority of noncompliance cases are resolved by Board staff or AMS. Of the 15 noncompliance cases recommended for enforcement action under the administrative process available since 1980, 8 cases were terminated due to default or bankruptcy, 1 is pending, and 6 have resulted in payment of overdue assessments totaling \$129,722 and penalties in the amount of \$27,500.

**STATEMENT OF  
DOUG HOFFER  
CHAIRMAN OF RIGHT CHOICE TASK FORCE  
  
BEFORE THE  
LIVESTOCK SUBCOMMITTEE  
OF THE HOUSE COMMITTEE ON AGRICULTURE  
  
TUESDAY, SEPTEMBER 14, 1993**

Mr. Chairman, I appreciate the opportunity to appear before the Subcommittee on behalf of the Right Choice Committee, an informal group of egg producers and industry representatives who have come together in order to secure approval of an amendment to the Egg Research and Consumer Information Act. My name is Doug Hoffer, Vice President of Processing and Marketing for Creighton Brothers, a diversified farming operation located in Warsaw, Indiana. The proposed amendment would permit the industry to vote to increase the assessment for the American Egg Board, and would exempt producers with less than 50,000 laying hens from the assessment.

Mr. Chairman, I am proud to have been a part of the egg industry for three decades and to have been a supporter of the industry's effort to improve acceptance of and demand for its product during my career. I believe that agricultural producers must aggressively improve their ability to market their products, as well as their production ability if they are to remain competitive.

The Egg Research and Consumer Information Act (which authorizes the American Egg Board and which this legislation, H.R. 1637, would amend) was enacted in 1974. The American Egg Board program has a proud tradition. In the 1970s, it had one of the most successful commodity promotion programs of any agricultural commodity. In fact, AEB's success in those early years was an inspiration for other commodity groups to seek approval for their own generic promotion programs. National advertisements for the "**incredible edible egg**" encouraged consumers to look more favorably on eggs and increased per capita consumption of eggs.

Unfortunately, the funding level that the statutory rate of assessment provided -- 5¢ per case -- was not enough for the American Egg Board to continue a significant national advertising campaign. In the face of double-digit inflation, cost increases were such that our industry could no longer afford to keep its campaign afloat.

In 1988, with the help of this Subcommittee, our authorizing legislation was amended to eliminate the refund provision. This step was supported by over 90% of the egg production in the U.S. As a result, our program now has an annual budget of a little over \$7 million, which has significantly contributed to its added success in recent years.

Unfortunately, \$7 million is not enough to allow for an effective national advertising campaign. If the egg industry is to halt the slide in per capita consumption of eggs, it must have the advertising and promotional dollars to compete with breakfast cereals and other

foods. The producers of these products spend millions of dollars on a regular basis to encourage people to buy more expensive and less nutritional products than eggs.

H.R. 1637 would give egg producers the ability to vote to increase their assessments to the level they think appropriate to get the job done. The legislation would authorize the American Egg Board to request that the Secretary conduct a referendum on any increase in the assessment. The American Egg Board would make its request for such an increase based on scientific studies, market analyses and other evidence, such as producer polls, which would indicate support for such an increase. A vote could be requested to move to any level of assessment up to 30¢ per case of commercial eggs, or the equivalent.

The change in the assessment rate could take place only if approved by at least two-thirds of the producers voting in the referendum, or by a majority of the producers who produced not less than two-thirds of all commercial eggs produced by those voting in the referendum.

Mr. Chairman, the upper limit of 30¢ per case for assessments should provide plenty of flexibility for the egg industry. It is not expected that the AEB would request a referendum to raise the assessment from 5¢ a case to 30¢ all at once. It is expected the industry will increase their rate of assessment gradually.

However, we feel that the authority to move up to 30¢ a case should be provided in the law so that we, as an industry, do not have to come back to Congress each time we might wish to increase the assessment. We feel that the referendum mechanism provides proper assurances that assessment increases can only be made if the industry is solidly behind it. This is especially true in our program because of the requirement of a super majority rather than a simple majority as most other commodity checkoff programs.

In addition, H.R. 1637 would raise the exemption level from 30,000 to 50,000 laying hens. It has always been the policy under the Egg Research and Consumer Information Act to assess only commercial egg producers for the funding of the American Egg Board program. Gradually over the years, the industry has changed, requiring greater economies of scale in order to be competitive. Therefore, the definition of a commercial flock has changed accordingly, with the minimum commercial flock size increasing. By exempting all producers with less than 50,000 laying hens, we believe that we would be assessing the overwhelming majority of egg production and would be confining the assessment to those who are truly commercial egg producers.

In closing, Mr. Chairman, I would like to thank the Subcommittee for all the assistance provided to the egg industry over the years. As you know, egg producers do not have a supply management or price support program. We operate solely on the basis of supply and demand. However, we have come to this Committee from time to time on other issues, such as our promotion program, and you have always been quite responsive. We appreciate your continued support.

STATEMENT OF  
GILBERT B. ECKHOFF, PRESIDENT & CEO  
HENNINGSEN FOODS, INC.  
BEFORE THE  
LIVESTOCK SUBCOMMITTEE  
OF THE HOUSE COMMITTEE ON AGRICULTURE

TUESDAY, SEPTEMBER 14, 1993  
1:30 P.M.

GOOD AFTERNOON, I AM GIL ECKHOFF, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF HENNINGSEN FOODS, INC., OF WHITE PLAINS, NEW YORK. WE ARE A PRODUCER OF SHELL EGGS AS WELL AS A MAJOR FURTHER PROCESSOR FOR EGG PRODUCTS. OUR COMPANY IS 105 YEARS OLD SO THEREFORE WE HAVE BEEN DEEPLY INVOLVED IN THE EGG INDUSTRY FOR A LONG TIME. I SERVED THREE TWO-YEAR TERMS AS AN ALTERNATE MEMBER OF THE AMERICAN EGG BOARD FROM 1978 TO 1983 AND THREE TWO-YEAR TERMS AS A MEMBER FROM 1984 TO 1989. I WAS ELECTED CHAIRMAN IN 1987 AND SERVED IN THAT POSITION FOR THREE CONSECUTIVE YEARS.

I SUPPORT THE AMENDMENTS TO THE EGG CHECKOFF LEGISLATION AS PROVIDED FOR IN H.R. 1637. THESE CHANGES ARE ALSO SUPPORTED BY THE MAJORITY OF EGG PRODUCERS IN THE U.S. AND ARE NEEDED TO MAINTAIN AND EXPAND THE IMPORTANT PROGRAMS CARRIED OUT BY AEB ON BEHALF OF THE U.S. EGG INDUSTRY.

I BELIEVE IT IS IMPORTANT TO POINT OUT THAT THE U.S. EGG INDUSTRY STRONGLY SUPPORTS ITS CHECKOFF PROGRAM. WE RECOGNIZE THE VALUE OF OUR PROGRAM AND HOW MUCH IT IS NEEDED BY OUR INDUSTRY. SIMPLY PUT, WITHOUT THE CHECKOFF PROGRAM, OUR INDUSTRY WOULD BE MUCH FURTHER BEHIND THE CURVE IN PROMOTING AND MARKETING OUR PRODUCTS.

THE FACT IS, WE NEED NOT ONLY TO CONTINUE OUR CURRENT EFFORTS, BUT TO INCREASE THEM CONSIDERABLY IN THE FUTURE IF WE ARE TO ACHIEVE A REASONABLE LEVEL OF COMPETITIVENESS IN THE MARKETPLACE. CEREAL MANUFACTURERS, OUR MAJOR BREAKFAST COMPETITION, SPENT \$823 MILLION ADVERTISING THEIR PRODUCTS IN 1992. FROZEN WAFFLE MANUFACTURERS SPENT \$45 MILLION. PRODUCERS OF OTHER AGRICULTURAL COMMODITIES WITH CHECKOFFS ARE EFFECTIVELY ADVERTISING THEIR PRODUCTS AT HIGHER LEVELS THAN THE EGG INDUSTRY. FOR EXAMPLE, AEB IS SPENDING ABOUT \$3 MILLION ANNUALLY ON ADVERTISING. IT IS ESTIMATED THAT THE NATIONAL DAIRY BOARD SPENDS \$150 MILLION; THE BEEF BOARD SPENDS \$22 MILLION AND THE PORK BOARD SPENDS \$12 MILLION. IF WE ARE GOING TO COMPETE, WE ARE SIMPLY GOING TO HAVE TO DO A BETTER JOB. BUT THIS TAKES FUNDING, AND FUNDING AT LEVELS THAT MOST INDIVIDUAL EGG PRODUCERS COULD NEVER

ACHIEVE ON THEIR OWN. THROUGH AEB, HOWEVER, WE CAN MAKE OUR INDUSTRY GOALS A REALITY.

THIS IS ONE REASON WE ARE SEEKING THE AMENDMENTS TO OUR ACT AT THIS TIME. OUR PROGRAMS NEEDS TO BE FUNDED AT HIGHER LEVELS SO WE CAN CONDUCT THE KINDS OF RESEARCH, PROMOTION AND ADVERTISING NEEDED TO KEEP THE U.S. EGG INDUSTRY IN THE BALL GAME. BY RAISING THE CEILING ON OUR ASSESSMENT RATE, EGG PRODUCERS WILL BE ABLE TO VOTE IN A REFERENDUM TO ESTABLISH PROGRAM FUNDING AT LEVELS COMMENSURATE WITH OUR NEEDS.

WE RECOGNIZE THAT WE MUST REDOUBLE OUR EFFORTS IF WE WANT TO ACHIEVE THE GOALS WE HAVE SET FOR OUR INDUSTRY. WE ARE ANXIOUS TO REAP THE BENEFITS THAT INCREASED PROMOTION, RESEARCH AND ADVERTISING WILL BRING TO OUR INDUSTRY.

WE ARE NOT GAMBLING WITH OUR MONEY EITHER. THE EGG CHECKOFF PROGRAM HAS ALREADY PROVEN ITSELF TO US TIME AND TIME AGAIN. THIS IS WHY WE ARE WILLING TO, AS THEY SAY, PUT OUR MONEY WHERE OUR MOUTH



IS -- BECAUSE WE KNOW WHAT WE STAND TO GAIN, WHEN WE ARE UNITED BEHIND OUR PRODUCT AND COMMITTED TO BUILDING AND MAINTAINING A STRONG U.S. EGG INDUSTRY.

I WOULD LIKE TO BRIEFLY SHARE A LITTLE BACKGROUND ABOUT OUR PROGRAM AND SOME OF OUR ONGOING PROJECTS. THE EGG CHECKOFF PROGRAM, CARRIED OUT BY THE AMERICAN EGG BOARD, SEEKS TO ESTABLISH, FINANCE AND CARRY OUT A COORDINATED PROGRAM OF RESEARCH, PRODUCER AND CONSUMER EDUCATION, AND PROMOTION TO MAINTAIN, IMPROVE, AND DEVELOP MARKETS FOR EGGS, EGG PRODUCTS, SPENT FOWL AND THE PRODUCTS OF SPENT FOWL.

SOME SPECIFIC GOALS OF AEB'S INCLUDE:

- INCREASING THE DEMAND FOR EGGS, EGG PRODUCTS AND SPENT FOWL;
- ESTABLISHING AND MAINTAINING COMPREHENSIVE NUTRITION COMMUNICATIONS AND RESEARCH PROGRAMS;
- EDUCATING CONSUMERS ABOUT THE VALUE AND BENEFITS OF EGGS;
- ENCOURAGING THE MARKETING OF NEW EGG AND SPENT FOWL PRODUCTS;
- INCREASING THE USE OF EGGS AND EGG PRODUCTS IN THE FOODSERVICE INDUSTRY.

THE AMERICAN EGG BOARD HAS ESTABLISHED MANY PROGRAMS TO ACCOMPLISH THESE GOALS. ONE AREA WE HAVE WORKED PARTICULARLY HARD IN WHICH I WOULD LIKE TO FOCUS ON TODAY IS THE AREA OF NUTRITION. THROUGH AEB, WE HAVE ESTABLISHED THE EGG NUTRITION CENTER (ENC), AN ORGANIZATION TO ASSIST EGG PRODUCERS AND PROCESSORS IN PROVIDING CONSUMERS, HEALTH PROFESSIONALS, THE SCIENTIFIC COMMUNITY AND THE MEDIA WITH ACCURATE INFORMATION ABOUT EGGS AND EGG PRODUCTS.

A WEALTH OF EDUCATIONAL MATERIALS HAVE BEEN CREATED TO REACH HEALTH PROFESSIONALS AND CONSUMERS ALIKE. RECENT MATERIALS DEVELOPED INCLUDE A FOOD LABELING FACTSHEET FOR CONSUMERS ENTITLED, "TEST YOUR LABEL IQ;" A BROCHURE ENTITLED, "EAT RIGHT AMERICA," WHICH INCORPORATES USDA'S FOOD GUIDE PYRAMID; A WOMEN, INFANTS AND CHILDREN (WIC) BROCHURE; A BROCHURE ENTITLED, "A DOZEN HEART HEALTHY EATING HABITS FOR CHILDREN," DEVELOPED WITH THE AMERICAN ACADEMY OF PEDIATRICS (AAP); AND A BROCHURE FOR PARENTS, CALLED "CHILDREN AND CHOLESTEROL," (ALSO DEVELOPED WITH THE AAP).

THE AMERICAN EGG BOARD HAS A SCIENTIFIC ADVISORY PANEL OF WELL-

KNOWN AND RESPECTED SCIENTISTS AND PHYSICIANS TO ADVISE US ON PROGRAMS, NUTRITION RESEARCH AND OTHER ISSUE AREAS, AND TO PROVIDE EXPERTISE FOR CONSUMERS AND THE MEDIA AS NEEDED. DUE TO THE LARGE NUMBER OF CONSUMERS OVER THE AGE OF 65, A PANEL OF INDEPENDENT SCIENTIFIC EXPERTS FORMULATED PRACTICAL DIET, HEALTH, AND LIFESTYLE GUIDELINES FOR THIS GROUP. THE FINDINGS OF THE PANEL HAVE BEEN DEVELOPED INTO A PAPER TITLED, "NUTRITIONAL NEEDS OF THE ELDERLY."

THROUGH AEB GRANTS, NUTRITION EDUCATION PROGRAMS HAVE BEEN DEVELOPED AT BAYLOR COLLEGE OF MEDICINE, HARVARD MEDICAL SCHOOL. AEB IS SPONSORING A FACULTY EDUCATION PROJECT AT HARVARD MEDICAL SCHOOL TO TRAIN INSTRUCTORS TO TEACH NUTRITION TO PHYSICIANS AND MEDICAL STUDENTS. THE OBJECTIVE IS TO REACH FUTURE PHYSICIANS WITH ACCURATE INFORMATION ABOUT CHOLESTEROL AND EGG NUTRITION.

AEB HAS FUNDED INDEPENDENT RESEARCH THAT DEMONSTRATES EGGS ARE NOT THE CULPRIT IN INCREASING BLOOD CHOLESTEROL LEVELS IN THE HEALTHY POPULATION. THE RESULTS OF AN AEB-FUNDED STUDY AT COLUMBIA UNIVERSITY IN WHICH THE EFFECTS OF EATING ZERO, ONE, TWO AND FOUR

EGGS PER DAY ON A LOW-FAT DIET ARE EXPECTED TO BE PUBLISHED IN A MAJOR MEDICAL JOURNAL SOON.

OTHER RESEARCH STUDIES BEING UNDERTAKEN BY AEB INCLUDE: A PRIMATE STUDY TO LEARN MORE ABOUT WHY CHOLESTEROL LEVELS CHANGE AT THE UNIVERSITY OF MASSACHUSETTS; A STATISTICAL META-ANALYSIS OF ALL CHOLESTEROL RESEARCH AT THE UNIVERSITY OF ARIZONA; A FREE-LIVING POPULATION EGG-FEEDING STUDY AT THE UNIVERSITY OF WASHINGTON; AND RESEARCH ON CHANGES IN BLOOD CHOLESTEROL LEVELS OF OLDER MEN AND WOMEN AT TUFTS UNIVERSITY.

AEB WILL SOON SPONSOR A SEMINAR, "DIETARY CHOLESTEROL: TRENDS DURING THE AMERICAN DIETETIC ASSOCIATION'S ANNUAL MEETING. THE COLUMBIA STUDY AND THE UNIVERSITY OF ARIZONA META-ANALYSIS WILL BE PRESENTED AT THIS MEETING. AEB HELD ITS FIFTH "HEALTH COMMUNICATORS CONFERENCE," ATTENDED BY 17 NATIONAL HEALTH AND FOOD WRITERS. THE CONFERENCE FOCUSED ON NEW SCIENTIFIC INFORMATION WITH A CULTURAL ANTHROPOLOGICAL PERSPECTIVE.

WHILE I HAVE BROUGHT OUT SOME OF THE HIGHLIGHTS IN THE NUTRITION AREA, THIS IS JUST ONE OF MANY PROGRAM AREAS THAT AEB HAS SUCCESSFULLY UNDERTAKEN ON THE EGG INDUSTRY'S BEHALF. IN ORDER FOR OUR INDUSTRY TO BE BEST SERVED BY OUR CHECKOFF PROGRAM, THESE KINDS OF EFFORTS MUST CONTINUE AND BE EXPANDED IN THE FUTURE.

THIS CANNOT BE ACCOMPLISHED WITHOUT ADDITIONAL FUNDING AND I BELIEVE THE EGG INDUSTRY IS UP TO THE TASK OF RAISING THESE FUNDS THROUGH THE CHECKOFF PROGRAM. WE RESPECTFULLY REQUEST YOUR ASSISTANCE IN ENABLING THE INDUSTRY TO MEET THE CHALLENGES BEFORE IT BY AUTHORIZING AN INCREASE IN OUR ASSESSMENT RATE CAP THROUGH THE AMENDMENTS CONTAINED IN H.R. 1637.

STATEMENT OF  
FRED ADAMS  
CAL-MAINE FOODS  
JACKSON, MISSISSIPPI

BEFORE THE LIVESTOCK SUBCOMMITTEE  
OF THE HOUSE COMMITTEE ON AGRICULTURE

SEPTEMBER 14, 1993

GOOD AFTERNOON, MY NAME IS FRED ADAMS, OWNER OF CAL-MAINE FOODS, JACKSON, MISSISSIPPI. MY COMPANY OPERATES COMMERCIAL EGG FARMS PRIMARILY IN THE SOUTHEAST AND SOUTH CENTRAL PARTS OF THE COUNTRY. I ALSO SERVED ON THE BOARD AND THE EXECUTIVE COMMITTEE OF THE AMERICAN EGG BOARD FROM 1976 - 1979.

I AM HERE TODAY TO TESTIFY IN FAVOR OF H.R. 1637, AMENDMENTS TO THE EGG RESEARCH AND CONSUMER INFORMATION ACT. THE EGG CHECKOFF PROGRAM IS ONE WHICH I AM FAMILIAR WITH AND SUPPORTIVE OF AS AN EGG PRODUCER. COMMODITY CHECKOFF PROGRAMS ARE PRODUCER SELF-HELP PROGRAMS FULLY FUNDED BY PRODUCER, NOT TAXPAYER, DOLLARS. THESE PROGRAMS GIVE COMMODITY GROUPS THE OPPORTUNITY TO PULL TOGETHER AS AN INDUSTRY, POOL THEIR RESOURCES AND PROMOTE THEIR PRODUCT FOR THE GOOD OF THE ENTIRE INDUSTRY.

INDIVIDUAL COMPANIES IN THE EGG INDUSTRY ARE STILL FREE TO ADVERTISE AND PROMOTE THEIR OWN BRANDED PRODUCTS WITHOUT ANY RESTRICTIONS FROM THE EGG CHECKOFF PROGRAM. THE BEAUTY OF THE CHECKOFF PROGRAM IS THAT IT ALLOWS THE INDUSTRY AS A WHOLE TO ACCOMPLISH FAR MORE TOGETHER THAN WE COULD INDEPENDENTLY.

UNLIKE SOME OTHER COMMODITIES, THE ADVERTISING AND PROMOTION DONE BY THE AMERICAN EGG BOARD IS CLOSE TO BEING THE ONLY ADVERTISING AND PROMOTION FOR EGGS. THERE ARE NOT MANY COMPANIES IN THE EGG INDUSTRY THAT ARE IN A POSITION TO SPEND THE LARGE SUMS NECESSARY TO ADVERTISE NATIONALLY.

OUR GOALS THROUGH THE EGG CHECKOFF PROGRAM ARE MANY. ONE OF OUR PRIMARY GOALS IS TO INCREASE THE CONSUMPTION OF EGGS AND EGG PRODUCTS. WE ALSO HAVE A STRONG INTEREST IN DEBUNKING SOME OF THE NUTRITIONAL MYTHS ABOUT EGGS THAT HAVE CONTRIBUTED TO THE DECLINE IN EGG CONSUMPTION OVER THE YEARS.

THE EGG INDUSTRY, YOU COULD SAY, HAS BEEN BEHIND THE EIGHT BALL FOR SEVERAL YEARS. THE CHOLESTEROL CONTROVERSY HAS HURT US TERRIBLY. DESPITE THIS SETBACK, WE HAVE STAYED COMMITTED TO RIGHTING WHAT WE BELIEVE TO BE INCORRECT AND SKETCHY SCIENTIFIC DATA IMPLICATING EGGS AS A PROBLEM BECAUSE OF THEIR CHOLESTEROL LEVEL.

WE HAVE LONG BEEN AWARE OF THE CRITICAL DIFFERENCE BETWEEN DIETARY CHOLESTEROL AND BLOOD CHOLESTEROL LEVELS. RESEARCH HAS SHOWN THAT FOR MOST PEOPLE, THE AMOUNT OF CHOLESTEROL IN FOOD HAS LITTLE OR NO EFFECT ON THEIR BLOOD CHOLESTEROL LEVELS. AS FAR AS DIETARY INFLUENCES ARE CONCERNED, IT IS THE INTAKE OF SATURATED FAT IN FOOD, NOT THE CHOLESTEROL, THAT IS THE MAIN DIETARY FACTOR FOR MAINTAINING HEALTHY BLOOD CHOLESTEROL LEVELS.

PROVIDING THE SCIENCE THAT PROVES THIS CATEGORICALLY HAS BEEN NO SMALL TASK, BUT WE ARE WELL ON THE WAY AND MAKING GOOD PROGRESS. EVEN WITH THE COMPELLING RESEARCH WE HAVE TODAY, A BIG CHALLENGE REMAINS IN ALTERING PUBLIC PERCEPTIONS. ALL THE BEST SCIENTIFIC INFORMATION IN THE WORLD CANNOT HELP US IF THE PUBLIC NEVER RECEIVES THIS INFORMATION. WE ARE PLEASED TO ACKNOWLEDGE, THAT THROUGH THE EFFORTS OF AEB, NEGATIVE CONSUMER ATTITUDES TOWARD DIETARY CHOLESTEROL HAVE DECLINED FOR THE PAST TWO YEARS.

THIS IS ANOTHER SERVICE THE AMERICAN EGG BOARD PROVIDES CONSUMERS AND EGG PRODUCERS ALIKE. BY SERVING AS A CLEARINGHOUSE FOR ALL KINDS OF INFORMATION ABOUT EGGS, DEVELOPING PROGRAMS AND DISSEMINATING INFORMATION, AEB ACCOMPLISHES THAT WHICH WOULD BE IMPOSSIBLE FOR EGG PRODUCERS TO ACHIEVE ON THEIR OWN.

CONSUMERS HAVE MANY QUESTIONS ABOUT EGGS. WHETHER IT'S RECIPES, COOKING TIMES AND TEMPERATURES, SAFE HANDLING AND STORAGE INFORMATION, EASTER EGG HUNT DO'S AND DON'TS AND SO ON, A RELIABLE SOURCE MUST BE AVAILABLE TO THE PUBLIC FOR THIS KIND OF INFORMATION, AND AEB IS THAT SOURCE.

THE EGG INDUSTRY ALSO LOOKS TO AEB FOR PUBLIC RELATIONS SUPPORT AND EXPERTISE. THIS HAS BEEN HELPFUL NOT ONLY IN COMBATING MISINFORMATION ABOUT EGGS, CHOLESTEROL AND HEART DISEASE RISK, BUT IN KEEPING THE FACTS STRAIGHT ON FOOD SAFETY, AN IMPORTANT AREA FOR ALL FOODSTUFFS, PARTICULARLY THOSE OF ANIMAL ORIGIN.



FOOD SAFETY EDUCATION ACTIVITIES CONTINUE TO BE A PRIORITY OF OUR INDUSTRY, AND AEB HAS RESPONDED WITH MANY PROJECTS, INCLUDING EXHIBITS AND PRESENTATIONS AT INFLUENTIAL MEETINGS, SUCH AS THE AMERICAN PUBLIC HEALTH ASSOCIATION AND THE NATIONAL ENVIRONMENTAL HEALTH ASSOCIATION; THE DEVELOPMENT OF A **"QUESTIONS AND ANSWERS" LEAFLET ON SALMONELLA** FOR SANITARIANS AND STATE PUBLIC HEALTH OFFICERS; AND THE DEVELOPMENT OF A **FOOD SAFETY KIT** THAT PROVIDES KEY INFORMATION IN ONE PACKAGE FOR CONDUCTING FOOD SAFETY EDUCATION PROGRAMS AND FOR RESPONDING TO MEDIA INQUIRIES.

ADDITIONALLY, AEB IS IN ITS THIRD YEAR OF SPONSORING THE NATIONAL RESTAURANT ASSOCIATION'S **SERVSAFE** TRAINING PROGRAM, WHICH ANNUALLY REACHES 50,000 FOODSERVICE MANAGERS NATIONWIDE. AEB HAS ALSO PRODUCED A **FOODSERVICE EGG SAFETY AND HANDLING VIDEOTAPE**, OF WHICH 5,000 OPERATORS IN "HIGH RISK" SETTINGS (HOSPITALS AND NURSING HOMES), PLUS COMMERCIAL OPERATORS, HAVE RECEIVED. A LAMINATED **"EGG SAFETY AND QUALITY" CHART** (AVAILABLE IN ENGLISH AND SPANISH) HAS BEEN DISTRIBUTED TO ALMOST 80,000 FOODSERVICE OPERATORS TO DATE. CAMERA-READY VERSIONS ARE ALSO AVAILABLE FOR USE ON EGG CASES AND MAILINGS.

CONSUMERS CAN BENEFIT FROM AEB'S **"EGG HANDLING AND CARE GUIDE,"** WHICH IS DESIGNED FOR NON-PROFESSIONAL COOKS IN THE HOME. ALSO TO REACH CONSUMERS, AEB RECENTLY SPONSORED A MEDIA TOUR, **"MORE FUN -- LESS FEAR WITH FOOD."** A TOP CHEF AND A REGISTERED DIETICIAN TEAMED UP TO DELIVER THE MESSAGE THAT HEALTHY EATING CAN BE

ENJOYABLE EATING -- AND SHOULD INCLUDE EGGS. THIS MEDIA TOUR WAS AN EXCELLENT WAY TO REACH THOUSANDS OF CONSUMERS WITH THE LATEST INFORMATION ON THE IMPORTANCE OF EGGS AS PART OF A HEALTHY DIET.

ADVERTISING AND PROMOTION IS ANOTHER CRITICAL NEED OF OUR INDUSTRY, AND AEB IS HELPING US ADDRESS THIS AREA TOO. IN 1993, AEB INVITED SIX ADVERTISING AGENCIES TO MAKE PRESENTATIONS ON HOW TO BEST SPEND OUR LIMITED ADVERTISING DOLLARS. A NEW NATIONAL CAMPAIGN, BUILT AROUND THE THEME "I LOVE EGGS," IS SET TO BEGIN ON TELEVISION AND RADIO DURING THE FIRST WEEK OF OCTOBER.

WE BELIEVE THIS CAMPAIGN WILL BE A WINNER. ONE REASON FOR OUR CONFIDENCE IS THAT CONSUMER RESEARCH CONDUCTED BY AEB BEFOREHAND INDICATED THAT CONSUMERS NEEDED "PERMISSION" TO EAT EGGS AGAIN. THE COMMERCIALS WILL STATE THAT 1989 USDA RESEARCH SHOWS EGGS HAVE 22% LESS CHOLESTEROL THAN PREVIOUSLY REPORTED. INCIDENTALLY, THIS RESEARCH WHICH ANALYZED THE ACTUAL NUTRIENT CONTENT OF EGGS (WHICH HAD NOT BEEN DONE IN NEARLY 20 YEARS) WAS SPONSORED BY AEB.

AS MUCH PROMISE AS THE NEW CAMPAIGN HOLDS, WE DO NOT CURRENTLY HAVE A BUDGET SUFFICIENT TO CARRY OUT AN ADVERTISING CAMPAIGN IN A MANNER COMMENSURATE WITH THE INDUSTRY'S NEEDS. OUR CURRENT CAMPAIGN WILL PERMIT ONLY A VERY SMALL AMOUNT OF PRIME TIME TELEVISION ADVERTISING, AND WE CAN ONLY RUN IT FOR 16 WEEKS. ONCE AGAIN, THE NEED FOR GREATER LEVELS OF FUNDING TO CONDUCT ADEQUATE PROGRAMS IS MADE CLEAR TO US IN THE EGG INDUSTRY.

WE DO REMAIN EXCITED ABOUT THE PROSPECTS FOR GROWTH AND IMPROVEMENT OF OUR PRODUCTS AND OUR INDUSTRY IN THE YEARS AHEAD. OUR CREATIVITY AND HARD WORK CAN ONLY TAKE US SO FAR, HOWEVER. WE MUST ALSO HAVE THE FINANCIAL RESOURCES AVAILABLE TO GET THE JOB DONE. NATIONAL TELEVISION ADVERTISING IS EXTREMELY EFFECTIVE IN REACHING MASS AUDIENCES, BUT IT IS ALSO EXTREMELY EXPENSIVE. IF WE ARE GOING TO RUN THE KIND OF ADVERTISING CAMPAIGN WE KNOW WE NEED TO REACH CONSUMERS WITH OUR MESSAGE, TELEVISION ADVERTISING IS A MUST. BUT WE CANNOT GIVE UP OUR EFFORTS IN NUTRITION RESEARCH, FOOD SAFETY, CONSUMER EDUCATION AND OTHER AREAS. WE MUST HAVE A COMPREHENSIVE PROGRAM AND WE ARE WILLING TO PAY FOR IT.

LET ME REMIND YOU THAT WE ARE NOT ASKING FOR A HAND-OUT; ONLY THE OPPORTUNITY TO PAY OUR OWN WAY. WE ARE CONFIDENT THIS WILL HELP CREATE A STRONGER U.S. EGG INDUSTRY, WHICH IN TURN WILL MAKE FOR A STRONGER U.S. ECONOMY.

THANK YOU FOR YOUR INTEREST IN OUR INDUSTRY.









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