



incredible!

American Egg Board

# 2016 ANNUAL REPORT



# TABLE OF CONTENTS

**2** MANAGEMENT MESSAGE

**3** EXECUTIVE COMMITTEE

**4** NUTRITIONAL UNDERPINNING

**7** OVERALL MARKETING APPROACH

**9** CONSUMER OUTREACH

**13** BUSINESS ACTIVITY

**17** ADMINISTRATION

**18** FINANCIALS

**20** BOARD MEMBERS

**22** ADVISORY PANELS

# MANAGEMENT MESSAGE



As the adage goes ... the only constant is change. In 2016, the American Egg Board (AEB) underwent much transition and change. Change for change's sake was never our goal, however. The changes that were made were needed and welcome, and addressed areas essential to the health and well-being of any organization's success — its human resources, culture, operations, strategic plans and office locale. At the same time, we didn't miss a beat, and we also didn't change what works and what the AEB is best known for: delivering strong marketing, research and education programs. Our resolve was rewarded — we realized strong demand at both retail and Per Capita Consumption in 2016, two factors at the heart and core of the AEB mission.

Throughout this, we were able to restart and reframe our focus and activities by building on the past successes of former staff and leadership. For that, we are grateful to those who invested in this organization over the years and recognize their essential role in the AEB's current and future success.

The AEB team is so thankful for the privilege of helping guide the marketing and promotional efforts of this country's egg industry in 2016. We're vitally committed to ensuring that, for the next 40 years, we're even more successful and impactful than ever before with a focused, proactive and opportunistic approach to all our work.

With the wind at our back and sunshine illuminating our path, the AEB is EGGCITED about what lies ahead.

Next time you are in Chicago, please stop by and visit YOUR new home and YOUR AEB team, who are daily pushing and promoting the Incredible Edible Egg on your behalf.

With kind regards,

A handwritten signature in cursive script that reads "Blair Van Zetten".

**Blair Van Zetten**, Chairman

A handwritten signature in cursive script that reads "Anne L. Alonzo".

**Anne L. Alonzo**, President and CEO

# EXECUTIVE COMMITTEE



**Blair Van Zetten**  
*Chairman*  
Oskaloosa Food  
Products  
Oskaloosa, IA



**Jeff Hardin**  
*Vice Chairman*  
Cal-Maine  
Foods Inc.  
Flatonia, TX



**Tom Hertzfeld II**  
*Secretary*  
Hertzfeld Poultry  
Farms Inc.  
Grand Rapids, OH



**Bob Krouse**  
*Treasurer*  
Midwest Poultry  
Services  
Mentone, IN



**Karyn Kreher**  
*Member at Large*  
Kreher's Farm  
Fresh Eggs  
Clarence, NY



**Mark Oldenkamp**  
*Member at Large*  
Valley Fresh  
Foods Inc.  
Woodburn, OR



**Paul Sauder**  
*Immediate Past  
Chairman*  
R.W. Sauder Inc.  
Lititz, PA



**Anne Alonzo**  
*President and CEO*

# NUTRITIONAL UNDERPINNING

Because of the best-in-class research program powered by the AEB's Egg Nutrition Center (ENC) and the incredible nutritional profile of eggs — a renewed focus was placed on leveraging nutritional insights to guide and inform all marketing programs.

## **Cholesterol Limit Removed**

In January 2016, the USDA and U.S. Department of Health and Human Services published the 2015–2020 Dietary Guidelines for Americans that removed the previous daily limit on cholesterol and included eggs in all recommended healthy eating patterns. For decades, the ENC promoted and funded science-based research to showcase the role eggs can play in healthy diets.

**The underpinning of the AEB's marketing messages is the more than \$1.5 million of egg nutrition research funded annually.**

The ENC shared the news via industry and influencer communications and media outreach. The ENC issued a press release, developed a new educational handout and conducted outreach via its social media platforms to amplify the news of the new Dietary Guidelines.

## **Research & Promotion**

Through its funded research, the ENC advanced the science of egg nutrition in partnership with universities and research institutions across the

country. The underpinning of the AEB's marketing messages is the more than \$1.5 million of egg nutrition research funded annually.

With a continued focus on the publication of the ENC-funded research, nine studies were published in 2016 in top scientific journals. The ENC continued to fund research in all its primary strategic areas, including cardiometabolic health, dietary patterns and eggs across the lifespan.

The ENC amplified the published research via media outreach — directly targeting consumers for the first time. By starting to communicate research findings in a more visual way, The ENC drove successful engagement around published studies including:

- **Purdue Research: Eggs on Salad = 7x Higher Absorption of Vitamin E**

This was a follow-up study to the research published in 2015 that showed including eggs on salads resulted in increased absorption of carotenoids. Purdue University issued a press release to share the new study findings that the ENC promoted via social media. For the first time, the ENC created a research visual to accompany the promotion, which drove engagement and reach.

- **Meta-analysis: One Egg Per Day Associated with 12 Percent Reduced Risk of Stroke**

This meta-analysis conducted by Dominik Alexander, Ph.D., MSPH, garnered incredible media interest. The ENC issued a press release and

conducted targeted pitching to nutrition trade publications and consumer media to share the results. Numerous outlets including *Medscape*, *Medical Daily* and international publications highlighted the study. The ENC also spotlighted the study on its blog as well as via a Q&A with Dr. Tia Rains, discussing the implications of the meta-analysis and its importance to consumer.

At the American Society for Nutrition's annual conference, Experimental Biology, the ENC proudly highlighted the 14 ENC-supported studies being presented at this prestigious conference.

#### **Young Investigator Research Award for Early Exploration**

The following individuals were awarded the ENC Young Investigator Research Award for Early Exploration grants:

**Charlotte Bahnfleth**, Cornell University. "Effects of increased prenatal choline intake on offspring cognitive function, affect regulation and hypothalamic-pituitary-adrenal (HPA) axis reactivity"

**Rob Bergia**, Purdue University. "Acute effect of an egg-based high protein meal on the hypertensive response to exercise"

**Jessica Cooperstone**, Ohio State University. "Untargeted metabolomics elucidate global metabolic changes associated with chronic egg consumption in humans"

## **The AEB's ENC is the largest research repository concerning egg nutrition in the country.**

**Diana DiMarco**, University of Connecticut. "Assessment of optimal egg intake in a healthy population"

**Josh McDonald**, Ohio State University. "Postprandial vasoprotective activities of eggs along the gut-blood vessel axis"

**Grace Niermo**, University of Illinois. "Examining the pro-inflammatory effects of a high carb meal vs. eggs in lean, overweight and obese children"

**Stephan van Vilet**, University of Illinois. "Nutritional strategies to support skeletal muscle mass maintenance with advancing age"

# Funded Nutrition Research

## Published 2016 research included:

- “Microbiota-dependent metabolite trimethylamine n-oxide and coronary artery calcium in the coronary artery risk development in young adults study (CARDIA),” *Journal of the American Heart Association*
- “Meta-analysis of egg consumption and risk of coronary heart disease and stroke,” *Journal of the American College of Nutrition*
- “Trimethylamine-n-oxide (TMAO) response to animal source foods varies among healthy young men and is influenced by their gut microbiota composition: A randomized controlled trial,” *Molecular Nutrition & Food Research*
- “Egg consumption increases vitamin E absorption from co-consumed raw mixed vegetables in healthy young men,” *Journal of Nutrition*
- “The effects of the combination of egg and fiber on appetite, glycemic response and food intake in normal weight adults — a randomized, controlled, crossover trial,” *International Journal of Food Sciences and Nutrition*
- “Leptin production by encapsulated adipocytes increases brown fat, decreases resistin, and improves glucose intolerance in obese mice,” *PLoS One*
- “Graded maximal exercise testing to assess mouse cardio-metabolic phenotypes,” *PLoS One*
- “Whole egg consumption prevents diminished serum 25-hydroxycholecalciferol concentrations in type 2 diabetic rats,” *Journal of Agricultural and Food Chemistry*
- “Comparison of the satiating properties of egg- versus cereal grain-based breakfasts for appetite and energy intake control in children,” *Eating Behaviors*

# OVERALL MARKETING APPROACH

The AEB's marketing resulted in more than 2.85 billion impressions through a cost-effective and efficient mix of advertising.

## Digital Outreach

By serving up content and messages in digital, bite-sized tidbits, the AEB positioned Millennials as "eggsperts," who shared the AEB's messages to impress their friends and families.

The AEB's websites reached consumers, health professionals, educators, foodservice professionals, food formulators and others through targeted outreach.

Specifically, IncredibleEgg.org leveraged new Bacon Brothers content that contributed to triple-digit growth against the site's 2015 launch. Egg cooking basics and hard-boiling recipes remained the most visited pages on the site. Through a data-driven approach and improved Search Engine Optimization (SEO), site traffic on IncredibleEgg.org was up 180 percent year-over-year — from 4.8 million to 13.5 million. The primary driver was organic traffic (those searching through Google or Yahoo for Incredible Egg content) that tripled year over year — from 3.2 million to 9.7 million.

By implementing this data-driven approach throughout 2016, IncredibleEgg.org saw significant increases in organic traffic to key cooking school and recipe pages. For example, traffic to the How-to Fry an Egg page increased six times from 35,000 to 205,000 views.

In January, a redesigned, revitalized EggNutritionCenter.org launched

Consumer behavior and the benefits of digital media, such as online video, mobile and customized display advertisements, drove advertising. Insights from the AEB's owned versus paid or earned media efforts factored into the decision to increase digital media.

**... total online traffic increased 548 percent as compared to 2015**

with increased SEO to reach those searching for egg nutrition information. As a result, traffic to the site grew tremendously. From July to September, total online traffic increased 548 percent as compared to 2015, while organic traffic increased 1,836 percent year over year. The Egg 101 page drove the most traffic, with approximately 20,000 page views per month. The ENC enhanced its website in December, launching a recipe section with nutritious recipes.

One of the most popular resources on AEB.org, the Egg Product Buyers' Guide, was updated with improved navigation and product information. This update resulted in a 22 percent increase in traffic, as compared to 2015. The AEB's partnership with The Culinary Institute of America (CIA) resulted in new recipes and step-by-step video demonstrations. Also, 50-plus new recipes were added to the site in October, contributed courtesy of fellow commodity boards, adding to new formulations for food manufacturers. Combined, pageviews for both recipes and formulations increased by 35 percent in 2016. Conversions, meaning actions taken by site users, increased nearly fourfold.

### Public Relations

In 2016, public relations supported the Wake Up to Eggs with the Bacon Brothers campaign. The AEB secured exclusive coverage on Mashable and on the popular Entertainment Tonight TV show. Digital publications like Huffington Post and People.com picked up the story.

The early 2016 strategy highlighted the protein in eggs, including a protein-rich recipe collection. The strategy resulted in 77,000 website hits during the first eight weeks of the year, and protein messaging alone earned 4 million impressions on social media during the same period. Strong editorial coverage of eggs in magazines included 300 million impressions in the first quarter of 2016 alone. *Better Homes and Gardens*, *Weight Watchers* and *Cooking Light* all focused on eggs' nutritional benefits.

A partnership with former Olympian Shawn Johnson and related Olympics content garnered 55 million earned and social media impressions. Back-to-school outreach generated 22.6 million impressions with earned media coverage and original content created by registered dietitians on behalf of the AEB. Hispanic Heritage Month earned a total 27.2 million impressions and took the AEB to Austin and Miami for event sponsorships. Three World Egg Day videos, featuring the Adventurer Egg, contributed to the total 8.8 million social media impressions. And a partnership with Latina bloggers combined with earned media coverage resulted in 12.4 million impressions. In addition, earned magazine placements resulted in 1.2 billion impressions.

A partnership for the holidays with Food52, a popular recipe and how-to website, reached Millennials and earned 3.2 million impressions and 2.5 million video views.

## The Incredible Egg's Facebook page reached 1 million+ fans in 2016.

### Social Media

In 2016, the AEB's social media efforts included content on Facebook, Instagram, LinkedIn, Pinterest, Snapchat, Twitter and YouTube. The AEB's consumer-focused social media ranked as one of the largest among the check-off programs.

The Incredible Egg's Facebook page reached more than 1 million fans in 2016, with 29 percent growth and nearly 900,000 post engagements. On Twitter, the AEB's followers grew 76 percent in 2016 (54,000 followers at the end of 2016), receiving more than 97,000 engagements. On Instagram, a newer platform for Incredible Egg, the AEB saw strong growth, with followers increasing by 93 percent (nearly 6,000 followers).

To reach Millennials, the AEB used Snapchat for the first time on the White House lawn and again at the Academy of Nutrition and Dietetics Annual Food & Nutrition Conference & Expo. Using Snapchat, attendees engaged with the ENC by taking pictures in the egg chair and using the ENC filter throughout the conference.

# CONSUMER OUTREACH

## Advertising

Supplemented by complementary content that was often developed opportunistically in real time, the Wake Up to Eggs with the Bacon Brothers was introduced on the heels of 2015's award-winning campaign. Kevin Bacon and his brother and band mate Michael Bacon wrote, produced and performed an original song in a series of funny web films. The AEB developed 18 pieces of content for the year-long effort, including videos, digital banners, social media executions and print advertising.

**Display ads delivered  
119 million impressions,  
19 million above the goal.**

Through the 2016 advertising and media strategies, the AEB reached consumers with key egg messages. Display ads delivered 119 million impressions, 19 million above the goal. Native ads resulted in 226 million impressions; content partners like The Onion and Huffington Post earned 97 million impressions. Both partners helped the AEB more effectively reach Millennials. Paid search drove 54 million impressions. Paid social earned 79 million impressions for the advertising campaign. Print advertising delivered 275 million impressions with entertainment

magazines. Paid media drove 807 million impressions, with 85 percent of the AEB's target receiving the messaging five times.

In the fall, new consumer research showed that benefits like "good for me" and "eggs leave me satisfied" resonated with consumers and identified the best opportunity for sales growth: increased consumption by heavy egg users, defined as those who consume three or more cartons monthly. The AEB's target demographic focused on Millennial parents who are medium/heavy egg users, with an overlay of Hispanic Millennial parents who are medium/heavy egg users.

## Easter

The Wake Up to Eggs with Bacon and other efforts resulted in more than 1 billion total media impressions and 100 million social media impressions during the Easter season. Together, these programs helped increase egg sales by 12 percent during Easter, compared to the same period a year ago.

The AEB's Easter press release and earned media earned 46.3 million impressions. Earned media included articles in Let's Talk Live DC (ABC), *Hagstrom Report*, *Brownfield Ag News*, *Agri-Pulse*, *Hoosier Ag Today*, *Roll Call*, *Politico* and Rebecca Scritchfield Blog.

The Adventurer Egg and Snapchat efforts contributed an additional 1.2 million impressions and an engagement of more than 2,200.

The local DC media also received Easter Care Packs filled with the AEB-branded items and Cascarones that highlighted the AEB's involvement at the White House Easter Egg Roll. This helped build relationships with the media and drive interest in the AEB's marketing messages. More than 80,000 elementary students across the country also took a virtual field trip to Hertzfeld Poultry Farms, which further amplified the AEB's messages.

## On the South Lawn, the AEB brought the egg production process to life for 35,000 parents and children.

### White House Easter Egg Roll

The AEB Chairman Blair Van Zetten and President and CEO Anne L. Alonzo presented the 39<sup>th</sup> Commemorative Egg to First Lady Michelle Obama and President Obama during the White House Easter Egg Roll.

For the first time, the AEB distributed 15,000 EggPops as attendees left the event. Numerous parents expressed appreciation to America's egg farmers for the hard-boiled egg. On the South Lawn, the AEB brought the egg production process to life for 35,000 parents and children. The whimsical Hen to Home Experience drove interaction with attendees throughout the day.

The AEB again donated eggs for egg rolling, the egg hunt and egg decorating, as well as volunteers' hats and aprons. Giveaways included branded Silly Putty Eggs, egg-shaped chalk and recipes. The popular Incredible Egg Character (Eggy) took pictures all day, and social media highlighted the AEB's efforts.

The AEB reported live from the event, conducting interviews with radio stations across the nation from the White House lawn. An onsite AP photographer also captured images to visually depict the AEB's presence onsite. Six images were distributed via AP Images, and several were picked up from outlets like *Yahoo* and the *Washington Post*. The AEB earned more than 168.2 million impressions from outreach related to this event.

### Retail Promotions

The AEB's Retail Marketing Programs included a joint promotion with the Milk Processor Education Program (MilkPEP). The "Wake Up. Power Up." effort included signage in more than 23,000 grocery, drug and dollar stores, encouraging shoppers to buy eggs and milk in order to consume 25 grams of protein for breakfast.

From mid-May to mid-June, the AEB partnered with the Kraft Heinz Company. As a result, egg sales (equivalized dozens) were up more than 8 percent versus the same period a year ago. The promotion involved 30 million instantly redeemable coupons that highlighted new egg and cheese recipes through a "Save \$1.00 on Eggs when you buy (2) Kraft

Natural Cheese Products” offer. Social media reached more than 1 million consumers through Twitter, Facebook and Pinterest. Additional promotional support included in-store egg case signage and e-marketing to Kraft Heinz’s consumers.

The successful promotion led to a holiday promotion with Kraft Heinz for a “\$.50 Off the Purchase of Eggs and Philadelphia Cream Cheese” offer.

All of these programs provided positive category sales growth for eggs and grew consumption. Work with the AEB’s Re-Inventing the Egg Case Taskforce continued.

### **#putaneggonit**

The ENC leveraged the #putaneggonit trend within its outreach. In August, the ENC created a “put an egg on it” logo and added the hashtag #putaneggonit in the majority of social media communications. In October and November, the ENC hosted a #putaneggonit recipe challenge with four well-known nutrition and food bloggers. As a result, the bloggers highlighted the culinary and nutritional benefits of eggs, and the ENC acquired 20 new nutritious recipes for its website. As an added bonus, the participating bloggers have a combined total of nearly 460,000 followers on Instagram alone.

The #putaneggonit platform will continue in 2017 across the AEB as an organization.

**... combined total of  
nearly 460,000 followers  
on Instagram alone.**

### **Multicultural Efforts**

Hispanics are the fastest-growing segment of multiculturals, with 17 percent of today’s U.S. population and \$1.5 trillion in purchasing power.

For the first time, the honed in on this demographic and celebrated Hispanic Heritage Month. The AEB joined *Latino Magazine* before the BlogHerFood16 Conference, connecting with more than 100 key influencers over a customized breakfast taco bar and egg drinks. The AEB also sponsored a Latino egg-inspired breakfast for U.S. Hispanic Chamber of Commerce Annual Convention attendees. Throughout social media and press outreach, the AEB leveraged a lively sizzle reel, showcasing its Hispanic-inspired recipes.

### **Health Professionals**

Throughout the year, the ENC connected with Health Professionals (HPs) in various areas of focus. These connections created educate-the-educator opportunities and enhanced the ENC’s position as a credible source of science-based nutrition information.

## **Nutrition Close-Up newsletter reached more than 40,000 subscribers...**

Participation in nutrition conferences, events and regional meetings, allowed the ENC to directly connect with key HP influencers and partners. The ENC distributed new educational handouts, shared recent research findings and interacted with attendees. In total, the ENC exhibited at eight conferences and presented egg information 10 times.

The ENC's quarterly *Nutrition Close-Up* newsletter reached more than 40,000 subscribers through both regular and digital mail. As in previous years, the ENC worked with a variety of HPs who wrote articles in their areas of expertise. This year, the ENC added all *Nutrition Close-Up* articles to EggNutritionCenter.org to have more shareable content to drive individuals to both the ENC website and other *Nutrition Close-Up* articles.

Leveraged as third-party experts throughout the year, the ENC's 2016 Health Professional Advisors (HPAs) contributed to the ENC's outreach in a variety of ways. Several HPAs spoke at HP conferences on the ENC's behalf, while others helped develop copy or recipes for new educational collateral, *Nutrition Close-Up* articles and/or blog posts. To help drive increased engagement and to facilitate meaningful brainstorming, the ENC hosted an in-person meeting with the group in San Antonio, Texas, that

included a tour of the impressive San Antonio Food Bank.

Throughout the year, the ENC collaborated with a number of key health and nutrition organizations. The ENC engaged with researchers through top research organizations, including the Industry Nutrition Advisory Panel of the American Heart Association, International Life Sciences Institute of North America and the American Society for Nutrition. The ENC began working with the Goldring Center for Culinary Medicine at Tulane University to get more involved in the culinary nutrition arena. Finally, the ENC worked with Oldways Mediterranean Foods Alliance to share egg nutrition recipes with its Fresh Friday newsletter subscribers.

The ENC also continued its role within the International Egg Nutrition Consortium, which collaborated with BanffEgg to organize and host a conference in Banff, Alberta, Canada, "The International Egg Symposium: Egg Nutrition, Functional Food and Human Health." The meeting, comprised of two days of presentations, involved 19 speakers representing four continents and eight countries.

### **Additional Content**

Throughout the year, the ENC provided educational information to federal and non-governmental organizations with an interest in nutrition.

In December, the ENC hosted a strategic brainstorming Nutrition Summit with scientists and industry experts that helped prioritize 2017 research and outreach priorities.

# BUSINESS ACTIVITY

## Foodservice

Increased consumption away from home, spurred by consumers' desire for more protein in their diets, drove this segment's growth. The AEB positioned itself as *The Breakfast Expert* by delivering relevant, insightful consumer, segment, product and trend information in communications to all U.S. foodservice operators.

According to The NPD Group/CREST in 2016, total foodservice servings totaled more than 7 billion. Servings at Quick-Service Restaurants (QSRs) within the segment accounted for 5.7 billion egg servings alone. This growth confirms the AEB's continued focus in this area.

**... the Egg McMuffin and its incredible egg, resulting in more than 1 million impressions.**

## National Accounts

Breakfast continued as the growth engine. All-Day Breakfast drove egg consumption, sales and profitability. Additional opportunities, like those regarding children's menus and multiple egg sandwiches, were explored.

Through a collaborative effort for National Egg Day in June, the AEB and McDonald's brought increased attention to the iconic Egg McMuffin.

Both the Incredible Egg and McDonald's social media platforms featured videos, press releases and custom animated messages extolling the virtues of the Egg McMuffin and its incredible egg, resulting in more than 1 million impressions.

## Media & Related Promotions

Quarterly, more than 50,000 received the electronic *Incredible Breakfast Trends*. Topics included breakfast, Millennial and Hispanic influences, and consumer views on healthy breakfasts that reinforced positioning the AEB as *The Breakfast Expert*. This content also appeared in the AEB's bi-monthly contributed columns to the *Poultry Times*.

## Partnerships

As part of the Culinary Institute of America's (CIA) Healthy Menus R&D Collaborative, the AEB connected with leading chains such as McDonald's, Dunkin' Brands, Taco Bell, 7-Eleven, Sodexo, Aramark, Panera, Wendy's and Subway to focus on America's eating patterns. The AEB's CIA partnership earned more than 75,000 video views on iTunes and YouTube. Promotional activities included an eblast, press release and social media efforts on Facebook, Twitter and Pinterest.

For the first time, the AEB participated in the Annual Produce Marketing Association (PMA) Conference with more than 200 purveyors. The AEB explored opportunities to pair eggs and vegetables more closely and worked on new foodservice recipes pairing eggs and produce for AEB.org.

Throughout the year, the AEB worked with leading National Accounts focusing on trend information, new product development, consumer outreach and nutritional data to focus on the importance of eggs and egg products.

### **School Foodservice**

Targeted at K-12 school nutrition programs, the AEB's improved Eggs in Schools program highlighted the benefits of serving eggs to students. Communications through advertising, email blasts and social media drove traffic to resources posted on AEB.org. Success stories, taste tests and direct contact with this audience positioned the AEB as a reliable school nutrition resource for school foodservice decision makers.

## **... eggs can now be sold as a healthy snack in schools.**

### **Smart Snacks**

The AEB leveraged the addition of hard-boiled eggs to USDA's Smart Snacks Program. Eggs can now be sold as a healthy snack in schools. With newly developed promotional material, packaging ideas and serving suggestions developed by the AEB, school foodservice directors received the necessary tools to implement a successful Smart Snack program that focuses on promoting and selling hard-boiled eggs to students.

### **Partnerships & Outreach**

The AEB initiated a collaborative effort with its state promotional partners to educate and train school foodservice operators about the benefits of serving eggs in the K-12 market. The AEB engaged with both school nutrition and education organizations, and directly demonstrated eggs' role in school meals. The AEB also partnered with the National FFA Organization to amplify the AEB's library of educational resources to more than 600,000 student members.

In 2016, the AEB allocated \$200,000 to 26 state promotional organizations that submitted grant applications to expand the national marketing messages — locally. The reimbursement rate was 85 percent. The states supported the AEB's key messages with activities that included participating in foodie events handing out samples, partnering with food trucks to “put an egg on it” at local high-visibility sporting events, state fairs, cooking contests, healthy living events and more.

To coincide with World Egg Day, a second Virtual Egg Farm Field Trip targeted middle schools with Hertzfeld Poultry Farm and was supported with online activities, including social media, eblasts and targeted content. There were 2,724 classrooms tuned in for the live event, with more than 81,700 students participating. Teachers were encouraged to participate in the hands-on activity relating to lighting in the barns. This event brought the total student reach for the year to more than 200,000.

The AEB exhibited and presented at several educational conferences, garnering valuable face time with educators and interest in the AEB's resources. New resources including lesson plans reached high school students. Work started on how-to videos.

### **REAL Eggs**

Within Egg Product Marketing, the AEB reinforced the functional and clean label appeal of REAL egg ingredients through all outreach efforts and partnered with food manufacturers, developing custom support to create solutions and increase egg product usage.

Results from the AEB's Attitudes and Usage Research Survey unveiled opportunities to highlight product consistency, clean label appeal and flavor contribution to food formulators to grow REAL eggs' market share. A print and digital media campaign featured side-by-side comparison of products made with REAL eggs and egg replacers to drive traffic to RealEggs.org for research summaries and video content.

Five REAL Eggs workshops educated more than 100 key food formulators across the country. Feedback from egg industry participants confirmed the value of this information to egg product users. REAL Eggs Research reached high-volume bakery professionals at the American Institute of Baking International and at the IBIE Expo.

### **Hard-Boiled Egg Snacking**

Given the interest and marketplace growth in protein foods and protein

snacking, the AEB's Hard-Boiled Egg Snacking Initiative aimed to leverage pre-cooked hard-boiled eggs in the marketplace by themselves in snack packs and bundled with other foods in protein snack packs.

The AEB shared initial research results via a webinar and exhibited at the Grocerant Summit in October. The AEB showcased the hard-boiled eggs snacking and foodservice breakfast trend intelligence to retail market leaders with refrigerated fresh snack pack assembly capabilities and hot breakfast programs. The AEB also engaged with national and regional c-store chains and leading commissaries to positively impact egg consumption.

### **Outreach & Education**

The 2016 Food Technology Advisory Council Meeting took place in May with food formulating professionals, representing nine high-profile companies, in various segments of the food industry.

The AEB created photography featuring egg products in bakery, prepared foods and dessert applications to support new egg product advertisements, promoting eggs' multi-functionality and clean label capabilities.

The newly updated online-only Egg Product Buyers' Guide debuted. Enhancements include a mobile-friendly format, advanced search capabilities and a contact form specific to each company. A print and digital campaign launched late summer to promote the abundant supply of egg products and the industry's new biosecurity measures.

## Exports

Historically, the American egg industry focused on domestic sales, with exports accounting for less than five percent of total production. Realizing the opportunity for new customers, the AEB explored opportunities outside U.S. borders to fill global egg demand. After all, 96 percent of the world's population lives outside the United States.

In cooperation with its export marketing partner, the USA Poultry & Egg Export Council (USAPEEC), the AEB supported the development of new international markets and, for the first time, deemed exports a key strategic priority.

At June's USAPEEC Annual Meeting, at the AEB's request, USAPEEC country directors presented comprehensive overviews of all potential U.S. egg and egg products export markets. These insights influenced program plans going forward. The AEB also presented its marketing update to a record number of attendees.

In August, the AEB led the first-ever, egg-only trade mission to Mexico where representatives from the U.S. egg industry engaged with Mexican egg industry leaders, U.S. trade and diplomatic leaders, U.S. egg farmers and end users of egg products, including Grupo Bimbo, the world's largest industrial bakery.

Weeks later, the AEB joined the historic, first-of-its-kind, multi-commodity trade visit to Cuba since the U.S began normalizing relations earlier in 2016. Both trade missions represented egg farmers' vibrant efforts to reach markets beyond their borders.

## Going forward and into 2017, the AEB will prioritize export programs in the key export markets of Hong Kong, Mexico, Japan, the Middle East, South Korea and the Caribbean.

The AEB hosted a Foodservice & Egg Products Marketing Training in October. USAPEEC country directors from Hong Kong, Mexico, Japan, the Middle East and Korea, as well as USAPEEC/Atlanta staff, convened in Chicago for two days of market analysis, trend updates and U.S. successes with Quick-Service Restaurants and egg product marketing. A trend tour inspired new, creative ideas for eggs across all dayparts.

In December, USAPEEC formally welcomed the AEB at its Winter Meeting as both a new Commodity Member and welcomed Anne L. Alonzo as a director on its board.

This work collectively guided the 2017 Export Marketing Programs Plan. Going forward and into 2017, the AEB will prioritize export programs in the key export markets of Hong Kong, Mexico, Japan, the Middle East, South Korea and the Caribbean.

The 2017 plan builds upon the AEB's 2016 efforts that included the development of market intelligence, personnel training and nimble, responsive support in markets where unfortunate HPAI outbreaks occur. Additional plans may include research, education, best practice demonstrations and marketing materials.

# ADMINISTRATION

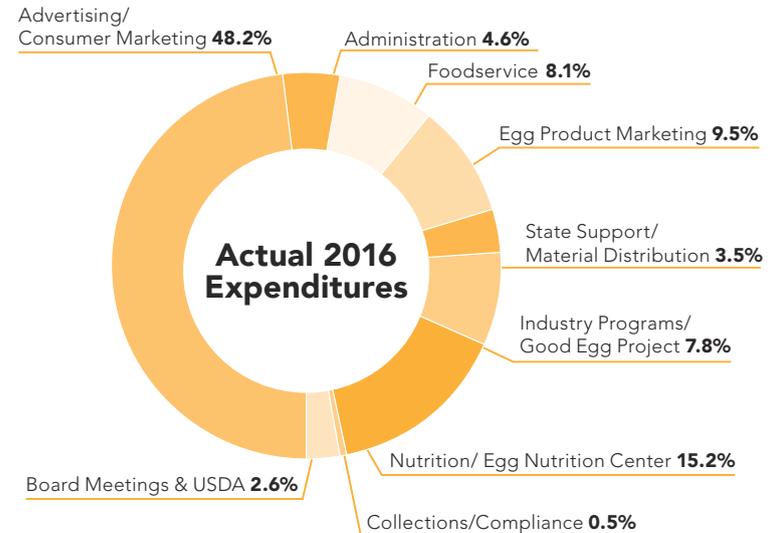
The AEB's administration of producers' funds begins with the Board that establishes the budget/financial policy and makes program decisions that are then implemented by the AEB staff. The ultimate oversight of the AEB is the Executive Committee and the U.S. Department of Agriculture (USDA) that monitors the AEB's compliance with the law, including approval of the budget. The AEB staff works hard to ensure that efficient and effective management is used and that administrative expenses are held to a minimum.

For the year 2016, 130 handlers were reporting from egg producers owning more than 75,000 hens. Total assessment revenue was \$23.59 million, representing assessments collected on 235.9 million cases of eggs.

The AEB management enforces the AEB Expenditure and Documentation Guidelines to control expenses for the AEB, the ENC and the AEB agencies. Plante Moran, CPAs, Chicago, IL, audited the Board's 2016 financial statements and conducted an audit of the AEB under Generally Accepted Governmental Auditing Standards (GAGAS).

With an eye on cost control, the AEB spent 4.6 percent on administrative expenses in 2016. Under 5 percent is considered good from all perspectives.

Throughout 2016, the AEB prioritized ensuring its system of internal controls was in strict compliance with the Egg Act, Order and By-laws for both the AEB and USDA's Agricultural Marketing Service (AMS). The USDA's 2016 Management Review found no issues of significance. This renewed dedication enables the organization to streamline operations.



# FINANCIALS

## BALANCE SHEETS *December 31*

		2016	2015
<b>Assets</b>	Cash & Certificates of Deposit	11,048,009	9,238,977
	Assessments Receivable	2,092,664	2,051,332
	Other Receivables	165,301	55,730
	Prepaid Expenses	259,101	506,904
	Inventories	8,385	154,982
	Office Equipment & Computer Systems, Net Depreciation	62,448	76,394
	<b>TOTAL ASSETS</b>	<b>\$13,635,908</b>	<b>\$12,084,319</b>
<b>Liabilities</b>	Accounts Payable and Accrued Expenses	404,194	861,251
<b>Board Equity</b>	Contributed Capital	66,244	66,244
	Accumulated Excess of Revenue over Operating Expenses	13,165,470	11,156,824
	<b>TOTAL LIABILITIES &amp; BOARD EQUITY</b>	<b>\$13,635,908</b>	<b>\$12,084,319</b>

STATEMENTS OF REVENUE & OPERATING EXPENSE *December 31*

2016

2015

**Revenue**

Assessments	23,589,415	22,237,900
Egg Farmers of Canada	100,000	100,000
Interest	59,532	48,311

---

<b>TOTAL REVENUE</b>	<b>\$23,748,947</b>	<b>\$22,386,211</b>
----------------------	---------------------	---------------------

**Operating Expenses****Programs**

Consumer Marketing	10,486,872	11,737,003
Foodservice	1,769,590	1,932,382
Nutrition	3,293,450	3,804,826
Special Projects	-	375,690
State Support	391,859	518,387
Materials Distribution	359,906	232,295
Industry Programs	1,683,353	2,421,686
Egg Product Marketing	2,085,615	1,755,616

---

<b>TOTAL</b>	<b>\$20,070,645</b>	<b>\$22,777,885</b>
--------------	---------------------	---------------------

**Administration and Collections**

Administration	1,010,879	878,730
Collections	91,448	91,823
Assessment Expenses	-	-
Board Meetings	381,203	220,318
USDA Administrative Expenses	186,124	154,536

---

<b>TOTAL</b>	<b>\$1,669,654</b>	<b>\$1,345,407</b>
--------------	--------------------	--------------------

---

<b>TOTAL EXPENSES</b>	<b>\$21,740,299</b>	<b>\$24,123,293</b>
-----------------------	---------------------	---------------------

---

<b>REVENUES OVER EXPENSES</b>	<b>\$2,008,648</b>	<b>\$(1,737,082)</b>
-------------------------------	--------------------	----------------------

---

# 2016 BOARD MEMBERS

## Alternates



**Paul Sauder**  
R.W. Sauder Inc.  
Lititz, PA

## Members



**Chris Esbenshade**  
Esbenshade Farms  
Mount Joy, PA



**Elliot Gibber**  
Deb-El Food  
Products LLC  
Elizabeth, NJ

## Members



**Karyn Kreher**  
Kreher's Farm  
Fresh Eggs  
Clarence, NY



**Chris Pierce**  
Heritage Poultry  
Management Services  
Annville, PA



**John Puglisi**  
Puglisi Egg Farm  
Howell, NJ

## AREA I – NORTH ATLANTIC STATES

## Members



**Jacques Klempf**  
Dixie Egg Company  
Jacksonville, FL



**Jeff Hardin**  
Cal-Maine Foods Inc.  
Flatonia, TX



**Andrew Reichman**  
Parker &  
Reichman Inc.  
Andrews, NC

## Alternates



**Tim Floyd**  
L & R Farms Inc.  
Hartwell, GA



**Alex Simpson**  
Simpson's Eggs  
Monroe, NC



**Steven (Scott)  
Horton**  
Country Charm Eggs  
Gillsville, GA

## AREA II – SOUTH ATLANTIC STATES

## Members



**Tom Stoller**  
Stoller Farms Inc.  
Van Wert, OH



**Steve Herbruck**  
Herbruck Poultry  
Ranch  
Saranac, MI



**Tom Hertzfeld II**  
Hertzfeld Poultry  
Farms Inc.  
Grand Rapids, OH

## AREA III – EAST NORTH CENTRAL STATES

## Alternates



**Joseph Patmos**  
Sunrise Acres Inc.  
Hudsonville, MI



**Lisa Timmerman**  
Cooper Farms Inc.  
Fort Recovery, OH



**Ronald (Tad) Gross**  
Hemmelgarn  
& Sons Inc.  
Coldwater, OH

**Members**



**Amos Baer**  
Baer Poultry Co. Inc.  
Lake Park, MN

**Alternates**



**Andy Seger**  
Wabash Valley  
Produce Inc.  
Dubois, IN



**Bob Krouse**  
Midwest Poultry  
Services  
Mentone, IN



**Mindy Truex**  
Creighton Brothers  
LLC  
Atwood, IN



**Ben Thompson**  
Pearl Valley Eggs  
Pearl City, IL



**Marcus Rust**  
Rose Acre Farms  
Seymour, IN

**AREA IV –  
WEST NORTH CENTRAL STATES**

**Members**



**Steve George**  
Fremont Farms of IA  
Malcom, IA

**Alternates**



**Jerry Boatman**  
Henningsen Foods Inc.  
Omaha, NE



**Brent Nelson**  
Nelson Poultry  
Industries  
Manhattan, KS



**Brian Joyer**  
Sparboe Farms Inc.  
New Hampton, IA



**Blair Van Zetten**  
Oskaloosa Food  
Products  
Oskaloosa, IA



**Bruce Dooyema**  
Dooyema & Sons Inc.  
Sioux Center, IA

**AREA V –  
SOUTH CENTRAL STATES**

**Members**



**Mark Oldenkamp**  
Valley Fresh Foods Inc.  
Woodburn, OR

**Alternates**



**Roger Deffner**  
National Food  
Corp.  
Everett, WA



**Clint Hickman**  
Hickman's Egg  
Ranch  
Buckeye, AZ



**Michael Sencer**  
Hidden Villa Ranch  
Fullerton, CA



**Roy Patterson**  
Mahard Egg Farm Inc.  
Prosper, TX



**David Elbel**  
Feather Crest Farms  
Bryan, TX

**AREA VI –  
WESTERN STATES**

# ADVISORY PANELS

## The AEB Advisors



**Terry Pollard**  
*Allied Industry Advisor*  
Big Dutchman USA



**Jim Sumner**  
*Export Marketing Advisor*  
USA Poultry & Egg Export Council



**Howard Magwire**  
*Further Processor Advisor*



**Shelly McKee, Ph.D.**  
*Technical Advisor*  
USA Poultry & Egg Export Council

## Health Professional Advisors

The ENC continued to maintain a committee of Health Professional Advisors (HPAs) that includes registered dietitians, nurse practitioners, a physician assistant, a medical doctor and a personal trainer. The HPAs worked on the ENC's behalf as third-party experts, within their respective fields and increasingly became more active within the ENC's programming and outreach. The 2016 HPAs included:

**Serena Ball, MS, RD**

**Chris Barry, PA-C, MMSc**

**Karen Buch, RDN, LDN**

**Amy Campbell, MS, RD, LDN, CDE**

**Neva Cochran, MS, RDN, LD**

**Lynn Cofer-Chase, MSN, CLS, FAHA, FPCNA, FNLA**

**Dave Ellis, RD, CSCS**

**Robyn Kievit Kirkman, FNP-BC, RDN, LDN, CSSD, CEDRD**

**Irene Lewis-McCormick, MS, CSCS**

**Robert Murray, MD**

**Kathleen Zelman, MPH, RD, LD**

## Food Technology Advisory Panel

### **Rachel Brown**

Senior Scientist, Kraft Heinz Company, Glenview, IL

### **Barbara Coty**

Product Development Scientist II, Tyson Foods, Downers Grove, IL

### **David Busken**

R&D Manager, Oak State Products, Peru, IL

### **Brian Joyer**

General Manager, Sparboe Farms, Litchfield, MN

### **Thomas Klump**

Corporate Brand Global Sourcing Manager, Industrial, Specialty, Retail Liquid & Shell Eggs, Kroger, Cincinnati, OH

### **Louis LeMoine**

Director of Product Development, T. Marzetti Company, Columbus, OH

### **Howard Magwire**

Egg Product Technical Advisor, the American Egg Board, Chicago, IL

### **Shelly McKee, Ph.D.**

Director, Technical Services, USAPEEC, Stone Mountain, GA

### **Matt Meter**

Vendor Assurance Manager, Barilla America Inc., Ames, IA

### **Peeyush Maheshwari**

Principal Scientist Ingredient & Technology Commercialization, General Mills Inc., Minneapolis, MN

### **Emily Munday**

Culinologist/Nutritionist, CuliNex LLC, Seattle, WA

### **Shawn Peters**

Senior Food Scientist, ConAgra Foods, Omaha, NE

### **Jen Rich**

Scientist, Kraft Heinz Company, Glenview, IL

### **Bob Swientek**

Editor-In-Chief, *Food Technology* Magazine, Chicago, IL

### **Eric Sparks**

Corporate Director R&D, Park 100 Foods Inc., Tipton, IN

### **Mitchiyoshi Uyeda**

Research Manager, Clear Seas Research, Troy, MI

### **Blair Van Zetten**

President, Oskaloosa Food Products, Oskaloosa, IA

### **Hongwei Xin, Ph.D.**

Director, Egg Industry Center, Ames, IA

**The AEB's mission is to increase demand for eggs and egg products through research, education and promotion.**

For more information, please visit [AEB.org](http://AEB.org).



**American Egg Board**  
8755 W. Higgins Road, ste. 300  
Chicago, IL 60631

**p 847.296.7043**  
**f 847.296.7007**

**AEB.org**

