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

"Daredevil’s Impossible Cake" shot for the AEB’s How Do You Like Your Eggs? campaign, Winter Holidays, 2018.
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### About the Cover Art

The cover of the AEB’s 2018 Annual Report features twists on the same dish: Eggs Benedict. Eggs continued to surge in popularity in 2018, cementing their position as a top trend food. Consequently, fresh interpretations of classic egg dishes like Benedict — adapted for a new generation of consumer tastes — appeared on the menus of trendy restaurants and online just about anywhere you would find foodies.


*On the back cover:* “Captain’s Eggs Neptune” shot for the AEB’s *How Do You Like Your Eggs?* campaign, 2018.
Together, as Chairman and President & CEO of your American Egg Board (AEB), we’re delighted to report that, for yet another consecutive year, in 2018 we successfully helped increase demand for U.S. eggs and egg products across all channels — retail, manufacturing, foodservice and export sales — along with significant advancements in egg nutrition knowledge and recognition across scientific and professional health communities.

In order to achieve these results, we’ve been transforming internally and have done so by streamlining and modernizing our policies and administrative processes as well as attracting new talent. We’ve invested in employee training and development, and have been moving our culture to one of greater cohesiveness, well-being and excellence. Organizationally, we’re much stronger and we’re poised to continue to grow in both efficiency and effectiveness.

As to our work deliverables, throughout this report, you’ll read about measurable, often dramatic results across a wide array of initiatives advanced under the AEB’s three board-led committees: Nutrition, Consumer Marketing and Market Development. Following are some highlights:

- On the nutrition front, studies sponsored by the AEB’s Egg Nutrition Center (ENC) appeared in 25 top peer-reviewed journals — far exceeding benchmarks. We cultivated funded and non-funded research on choline, diabetes and heart disease, and we spread the results through our own proprietary community of 400 health and wellness professionals.

- Year-round, “always on” Consumer Marketing delivered dramatic sales lift in traditionally soft seasons, contributing to a 2.8 percent increase in the volume (equalized dozens) of shell eggs sold at retail for the year. We also leveraged The Incredible Egg’s tremendous equity to forge power partnerships, including with Disney•Pixar on the blockbuster animated feature, “Incredibles 2.”

- Market Development drove 58 million more egg servings in foodservice, White Castle became the first national Quick-Service Restaurant to leverage the “Made with REAL Eggs” logo on its product, our popular manufacturer workshop series expanded to include a major national retailer for the first time, and egg servings in schools jumped 6 percent. And in partnership with the USA Poultry & Export Council, egg exports flowed into new international markets.

The state of The Incredible Egg is exciting. In fact, a recent Washington Post headline touts that “Americans are on track to eat the most eggs in nearly half a century.” We’re committed to this goal. This is our time as we continue to identify and successfully seize growth opportunities for a commodity that already enjoys approximately 94 percent U.S. household penetration.

We look forward to raising the bar even higher in 2019!

Jeff Hardin, Chairman

Anne L. Alonzo, President and CEO
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President & CEO  
Oskaloosa Food Products  
Oskaloosa, IA

"Egg Cloud on a Parmesan Crisp with Tomato Chutney" shot for the AEB's Incredible Egg Trends series, "Elevated" segment, 2018
Research & Promotion
Through its best-in-class research program, the Egg Nutrition Center (ENC) advanced the science of egg nutrition in partnership with universities and research institutions across the country. More than $1.5 million per year in research underpins the AEB’s marketing messages.

With a continued focus on the publication of ENC-funded research, 25 studies appeared in top peer-reviewed scientific journals in 2018, far exceeding the 10-15 norm.

The competitive grant program garnered interest in the scientific community, resulting in the initiation of 16 new ENC-funded studies in all its primary strategic areas, including cardiometabolic health, dietary patterns and eggs across the lifespan.

The ENC had a particularly impactful presence at the 2018 American Society for Nutrition annual conference in Boston: Nutrition 2018. Notably, Dr. Shirin Pourafshar of Florida State University — a previous ENC Young Investigator Award winner — presented results from her ENC-funded research showing eggs can be part of an overall healthy diet to improve risk factors for type 2 diabetes in individuals already at risk of developing the disease. Dr. Pourafshar’s work was featured in the American Society for Nutrition media release and resulted in more than 30 articles published across different outlets that garnered more than 10 million media impressions.

Additionally, the ENC co-sponsored a scientific symposium at Nutrition 2018 with another commodity board, the Haas Avocado Board, on the health benefits of lutein, because both eggs and avocados contain lutein. Academic scientists presented research on the benefits of lutein for eye health and cognitive function and showed that lutein from eggs and avocados is the most bioavailable because the fat contained in eggs and avocados helps with the absorption of this important nutrient.

Through the AEB’s organization-wide integration, published research funded by the ENC reached the media, consumers, industry, health professionals and others to further extend the reach of new science.

Notable 2018 publications include:

**Cornell University**
- Dr. Marie Caudill and researchers at Cornell University published evidence that infants exposed to higher levels of maternal choline (930 mg/day) during the third trimester have improved information processing speed during the first year of life, an indicator of cognition and intelligence. This is important research as learning continues on how choline and eggs support neurocognitive development in infants and toddlers.

**Purdue University**
- Dr. Wayne Campbell and colleagues at Purdue University published evidence that cholesterol from eggs is not well absorbed in humans. The researchers assessed a group of men and women who ate vegetable-based meals that contained either varying amounts of cooked whole egg or no eggs. Whole egg consumption did not acutely impact plasma total cholesterol. These findings are consistent with previous studies that have shown minimal impact of egg consumption on blood cholesterol in most people. The authors suggest that compounds in egg yolk and egg white protein may work together to limit cholesterol absorption.

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

Egg Enthusiast Program
The ENC launched the Egg Enthusiast program in early 2018 — a network of credentialed HPs (registered dietitians, personal trainers, culinary nutritionists, credentialed health and lifestyle bloggers, and maternal and child health professionals) interested in communicating compelling and accurate nutrition information. This program provides HPs with up-to-date, fact-based information to help them address consumer confusion. Being an Egg Enthusiast offers HPs the opportunity to receive the latest research, media-ready materials, access to exclusive events and consideration for partnerships. In return, America’s egg farmers benefit from the support and credibility of independent and highly influential professionals who promote the many benefits of eggs.
The Egg Enthusiast program proved incredibly popular with HPs. The ENC exceeded its 2018 enrollment goal by 100 percent, ending the year with more than 400 HPs accepted into the program. The ENC regularly communicated with Egg Enthusiasts via a monthly newsletter, with open and click-through rates above the industry average. Members also participated in quarterly contests that drove social media engagement. In addition, the ENC hosted two exclusive, in-person events for our Egg Enthusiasts — at the Today’s Dietitian Spring Symposium in May and at the Food, Nutrition Conference & Expo (FNCE) in October. Both events were very successful, providing an opportunity to network and build relationships, share information/resources and drive social media engagement.

Key Conferences and Targeted Events
Participation in nutrition conferences, events and regional meetings allowed the ENC to directly connect with key HP influencers and partners. The ENC partnered with Balchem and the National Cattlemen’s Beef Association to host a Choline Science Summit that assessed the science and addressed public health needs related to choline. The proceedings from this event were published in *Nutrition Today*.

The ENC also shared new research and guidelines on food allergies at the Nutrition Trends Forum, an invitation-only event with top-tier dietitian media spokespeople and the Academy of Nutrition and Dietetics leadership. This same presentation was also shared with select regional and State Academy of Nutrition and Dietetics Associations.

At the Food & Nutrition Conference and Expo this year the ENC was able to engage thousands of key dietitians via a comprehensive approach, including:

- An earned educational session focused on lutein’s role in optimal eye and brain health in partnership with Kemin.
- An exclusive Egg Enthusiast breakfast event attended by more than 55 RDs — and featuring an egg farmer and AEB member — that provided shareable information that drove social media posts.
- Lutein eye testing via the ENC’s engaging exhibit booth. The ENC and Kemin also developed a new educational handout on lutein’s role in eye and brain health.
- A breakout session with supermarket dietitians representing retailers across North America, where the ENC built relationships, sampled a ravioli frittata recipe and shared educational materials.
- Engaged with key nutrition organizations, industry partners and leaders in the nutrition community during important industry meetings and networking events.

Engaging and Partnering with Professional Organizations
Throughout the year, the ENC collaborated with a number of key health and nutrition 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 also continued its partnership with the Collegiate and Professional Sports Dietitians Association, providing research and education to sports dietitians via newsletters, social media and a presence at their annual conference.

The ENC continued to educate retail RDs via its partnership with the Retail Dietitians Business Alliance that represents 11,000 grocery stores across North America. In addition, the ENC co-hosted two highly successful webinars: a choline-focused webinar with more than 3,800 registered attendees and a bone health webinar with more than 1,000 registered attendees that educated HPs about the controversy as to whether dietary protein (particularly animal-derived protein) is beneficial or deleterious to bone health.

Finally, the ENC worked with the Oldways Mediterranean Foods Alliance to share egg nutrition recipes with its Fresh Friday newsletter subscribers.

Young Investigator Award for Early Exploration
The following individuals were awarded the ENC’s Young Investigator Research Award for Early Exploration in 2018:

- **Melissa McDougal**, Cornell University, “Effects of Higher Maternal Choline Intake on Infant Cognitive Development.”
- **Bruno Lemos**, University of Connecticut, “Plasma TMAO and Choline Levels in Individuals with Metabolic Syndrome — Comparison between Eggs and Choline Supplement Intake.”
- **William Quarles**, Texas Tech University, “Does increased egg consumption have cognitive and neural benefits in food insecure, at-risk adolescents?”
2018 ENC-funded published research

2. “Egg intake has no adverse association with blood lipids or glucose in adolescent girls,” *Journal of the American College of Nutrition.*
3. “Co-ingestion of whole eggs or egg whites with glucose protects against postprandial hyperglycaemia-induced oxidative stress and dysregulated arginine metabolism in association with improved vascular endothelial function in prediabetic men,” *British Journal of Nutrition.*
4. “Dietary cholesterol contained in whole eggs is not well absorbed and does not acutely affect plasma total cholesterol concentration in men and women: Results from 2 randomized controlled crossover studies,” *Nutrients.*
5. “Egg consumption may improve factors associated with glycemic control and insulin sensitivity in adults with pre- and type II diabetes,” *Food & Function.*
6. “Breakfast consumption augments appetite, eating behavior, and exploratory markers of sleep quality compared to skipping breakfast in healthy young adults,” *Current Developments in Nutrition.*
7. “Effects of a high-protein diet including whole eggs on muscle composition and indices of cardiometabolic health and systemic inflammation in older adults with overweight or obesity: A Randomized controlled trial,” *Nutrients.*
8. “Study design for a clinical trial to examine food price elasticity among participants in federal food assistance programs: A laboratory-based grocery store study,” *Contemporary Clinical Trials Communications.*
10. “Dietary cholesterol, lipid levels, and cardiovascular risk among adults with diabetes or impaired fasting glucose in the Framingham Offspring Study,” *Nutrients.*
12. “Egg consumption in infants is associated with longer recumbent length and greater intake of several nutrients essential in growth and development,” *Nutrients.*
14. “Protein intake distribution pattern does not affect anabolic response, lean body mass, muscle strength or function over 8 weeks in older adults: A randomized-controlled trial,” *Clinical Nutrition.*
16. “Compared to an oatmeal breakfast, two eggs/day increased plasma carotenoids and choline without increasing trimethyl amine N-oxide concentrations,” *Journal of the American College of Nutrition.*
18. “Dietary cholesterol, serum lipids, and heart disease: Are eggs working for or against you?” *Nutrients.*
19. “Replacing carbohydrate during a glucose challenge with the egg white portion or whole eggs protects against postprandial impairments in vascular endothelial function in prediabetic men by limiting increases in glycaemia and lipid peroxidation,” *British Journal of Nutrition.*
20. “Mineral content of eggs differs with hen strain, age, and rearing environment,” *Poultry Science.*
22. “Animal versus plant protein and adult bone health: A systematic review and meta-analysis from the National Osteoporosis Foundation,” *PLOS ONE.*
23. “Intake of 3 eggs per day when compared to a choline bitartrate supplement, downregulates cholesterol synthesis without changing the LDL/HDL Ratio,” *Nutrients.*
"Pumpkin Grits with Black Beans & Fried Egg" by ENC Egg Enthusiast Mallory Ubbelohde, MPH, RDN, for instagram.com/mallory.rdn, November 2018
CONSUMER MARKETING

Overview
Thanks in part to national consumer marketing efforts on behalf of America’s egg farmers and a disciplined, consumer-centric approach to driving awareness and demand for eggs and egg products, 2018 was a stellar year for egg sales at retail, with consecutive year-over-year growth for shell eggs. The AEB’s Nielsen year-end scanner data shows shell egg sales increased 2.7 percent in equalized dozens (EQ) and 18.5 percent in dollar sales.

Moreover, the annual Supermarket News “Fresh Report” concluded that fresh categories are the primary drivers of U.S. dollar sales growth. And within these drivers, shell eggs came in first with dollar sales increases. Food Navigator also projected that shell eggs — approximately $5.8 billion in 2018 sales — will grow to $6.5 billion by 2022.

Shell eggs are the largest part of the retail business, but a category-wide perspective indicates that total egg sales (shell eggs, egg products and hard-boiled eggs) have already increased to nearly $6.2 billion in combined sales in 2018.

Shift to Year-Round Marketing
In an effort to compel more consumers to buy more eggs more often, the AEB’s board members directed that additional monies from reserves be shifted to Consumer Marketing to test the efficacy of moving to year-round marketing — investing in non-traditional windows, instead of exclusively during key holiday drive periods. A smart mix of owned content during Easter and Winter Holidays, along with awareness-generating PR and other content during the off seasons (New Year’s Wellness, Incredibles 2 Summer and Fall “Back to Routine”) — executed under an overall disciplined, strategic consumer focus across all spending — generated superior marketing results for the year. The AEB also leveraged The Incredible Egg’s substantial cache to drive value-added partnerships with powerhouse brands and properties at significant cost savings.

In addition to this continuous marketing activity, the AEB delivered new research and tools to position the total egg category for even greater growth in years to come. 2018 marketing highlights include:

New Year’s Wellness
Consumers at the start of the year are focused on diet, fitness and general wellness. The egg has been perfectly positioned to capitalize on this mindset. In 2018, the AEB developed a first quarter wellness program for

SHELL EGGS EQ YEARLY TRENDS

Source: Nielsen Total US xAOC + Conv 52 Weeks ending date 12/29/18

2018 SHELL EGGS EQ VS. PRIOR YEAR

Source: Nielsen Total US xAOC + Conv 52 Weeks ending date 12/29/18

EGG SALES & CONSUMPTION - YTD

Source: Nielsen Total US xAOC + Conv Full year: 52 Weeks ending date 12/29/18
Source: USDA AWSDE #585 February 2019, dated Feb 8, 2019
CONSUMER MARKETING

January’s New Year and February’s American Heart Month with radio, print and digital campaign assets. The campaign also showcased the Egg Nutrition Center leadership, reinforcing the equity and authority of the AEB’s “owned” talent. Marketing efforts delivered more than 46.2 million impressions in radio alone, with significant increases in digital engagement. Marketing also leveraged relevant “How Do You Like Your Eggs?” (HDLYLE) campaign assets (e.g., the HDLYLE Karate Master and her Chopped Egg Salad Recipe). Resulting sales for the first month of 2018 were an extraordinary 6.9 percent higher EQ than the same period the prior year.

Easter and The White House

Easter 2018 was also favorable to Easter 2017 by +4.2 percent EQ. For the first time, the AEB’s consumer marketing leveraged the equity of the historic White House Easter Egg Roll to generate additional media interest before the holiday, generating a total of 121 million impressions from 333 placements, including television features on CNN and Fox News; and print features in Time, Newsweek and USA Today. All of these impressions and placements were unpaid (organic), generated by interest in the AEB’s Easter content and the First Lady’s Commemorative Egg.

The AEB also expanded its footprint on the White House lawn with new “satellite” stations serving EggPops. Expanding reach even further, the AEB introduced four new Eggy characters, providing a popular photo opportunity for guests and increasing the AEB’s consumer-generated social media reach.

Disney-Pixar Incredibles 2

The AEB was excited by the prospect of delivering a heroic boost to traditionally soft summer sales with a tie-in to the long-awaited Disney-Pixar Incredibles 2 animated blockbuster. Due to the strength of “How Do You Like Your Eggs?” creative, Disney-Pixar made an unusual exception, allowing its characters to be incorporated into another brand’s campaign. Ergo, The Incredible Egg delivered unique portraits and egg recipes for each of the beloved Incredibles 2 characters.

The AEB’s Incredibles 2 campaign achieved outstanding results across the board. During the advertised six weeks of the Incredibles 2 tie-in, shell egg sales at retail increased 3.2 percent EQ over the same period the prior year. The campaign exceeded media goals by 660 percent, yielding more than 40 million impressions. Lastly — and quite importantly — consumer research showed that perceptions of eggs were significantly more positive across seven key attributes, including taste, nutrition and “good for kids,” among consumers who saw the film and/or the AEB’s animated commercial spot. Furthermore, The Incredible Egg outperformed all other Incredibles 2 sponsors in unaided awareness — even McDonald’s with its Incredibles 2 Happy Meals toys and much bigger advertising budget.

Fall “Back to Routine”

The fall season, when consumers return to their hectic schedules, historically constitutes the lowest point of egg sales for the year. During this period in 2018, the AEB tested
its smallest media spend of the year, but with very smart targeting and a highly focused consumer message. Shell egg sales at retail within that four-week media window increased dramatically by 4.4 percent EQ versus the prior year, and these results extended to a 12-week result that was +2.6 percent EQ versus the prior year. The lowest media spend with the right message and the right partners delivered some of the AEB’s best returns for the year.

Winter Holidays
During the extended winter holiday season — from Thanksgiving until the end of the year — household-level sales of eggs are significantly higher than for the rest of year. In fact, more than 70 percent of egg-buying households buy extra eggs (primarily for brunch, entertaining and baking) during this season.

The AEB reprised its winter holiday “How Do You Like Your Eggs?” characters and recipes from 2017, adding one new 2018 winter holiday portrait and recipe: The Daredevil’s Impossible Cake. But in a first, the Daredevil starred in his own how-to recipe video, combining entertainment and cookery in one fun, family-friendly video that exceeded industry benchmarks for cooking videos.

Two additional tests were conducted during the winter holidays. First, incremental funds were offered to state marketing organizations based on strategic alignment with the national program and measurable performance goals. Several state leads worked together to create the best of all worlds, leveraging the efficiencies of national assets with the relevance and reach of local teams. The state plus-up program alone reached an additional 100 million consumers.

In a second test, the AEB created a marketing runway for the all-important New Year’s Wellness period by delivering nutrition media during the holidays, which are normally a period of indulgence. Positioning eggs as an ally to help consumers stay on track during holiday entertaining generated strong momentum to propel consumer demand into the 2019 Wellness period.

Opportunistic Social
In addition to the year-round marketing calendar, the AEB planned for opportunistic social marketing windows, capitalizing on opportunities to engage consumers and integrate eggs in major consumer and pop culture moments like the Winter Olympics and the Game of Thrones season debut — the latter activation along with an execution for the cult hit Stranger Things earned the AEB’s social marketing a 2018 Golden ARC Award. And the AEB’s Consumer Marketing Committee moved quickly when the opportunity arose to sponsor a New York City block party for celebrity Chrissy Teigen’s cookbook, capturing the lion’s share of media coverage with The Incredible Egg’s eggstraordinary photo room.

The Best Part: Insights
In a year of incredible consumer marketing, a major accomplishment actually occurred in the homes of Latino consumers — who over-index on egg consumption — where the AEB conducted ethnographic research for egg usage insights that could inform a strategic plan to increase demand across a diverse, multi-cultural population. Based on those insights, the AEB’s Consumer Committee approved an exciting new “How Do You Like Your Eggs?” campaign extension for 2019 with potentially game-changing positioning for eggs into the future.
“Firefighter’s Smoked Eggs” shot for the AEB’s How Do You Like Your Eggs? campaign, New Year’s Health & Wellness, 2018
**MARKET DEVELOPMENT**

**Egg Product Marketing**

The AEB conducted nine onsite, customized workshops in 2018 for top food manufacturers with cross-functional teams including procurement, product development and management. Workshops covered the functional benefits of eggs and egg products and current trends, and presented concepts suited to each company’s manufacturing capabilities. In two important firsts, the AEB held a workshop for a top-10 U.S. grocery chain — the first such event for a retailer — and presented a showcase demonstration on the IFT 2018 Expo Cooking Up Science stage.

In addition to successful on-site workshops, the AEB hosted its 20th annual Food Technology Advisory Council meeting, with food formulating professionals representing eight high-profile companies from the food industry. The council addresses opportunities and challenges facing participants, educates attendees on how egg products can improve new product development, and explores opportunities for the AEB to provide industry support (e.g., developing a “Made with REAL Eggs” logo for packaged goods).

Retailers, food manufacturers and egg industry members attended an AEB webinar that provided new research illuminating hard-boiled egg consumption occasions, along with insights around purchase intent for audience-specific protein snacking concepts.

In the media, the AEB received two Advertising Excellence Awards from Prepared Foods magazine for its egg functionality ads. The awards are given to the highest “Noticed” ads by readers. An ad from the same series was also cited by Food Processing magazine for above-average brand scores with readers for Awareness and Purchase Consideration.

**Foodservice**

According to The NPD Group/CREST, total foodservice servings of eggs in 2018 exceeded 8 billion, a 3 percent increase. Servings at quick-service restaurants (QSR) accounted for 5.8 billion egg servings, affirming the AEB’s continued focus in the area. Currently, QSRs represent 83 percent of all egg servings in commercial foodservice.

Breakfast at national accounts continued as a growth engine in foodservice with all-day breakfast and egg menu innovation driving egg consumption, sales and profitability. The AEB forged new partnerships with several top-10 QSRs via innovation, research and promotional efforts. In addition, the AEB was invited by three major chains to participate in their strategic menu pipeline and development initiatives.

The AEB also approached and successfully worked with Delta Airlines to launch a protein kit featuring a hard-boiled egg — with the AEB’s Incredible Egg branding — on domestic flights longer than three hours. This resulted in 132 million impressions from Delta customers.

Lastly, the AEB refreshed its Incredible Breakfast Trends series as an all-day dining platform: Incredible Egg Trends (IET). In 2018, IET proved extremely effective, delivering relevant menu trends and consumer and segment insights via engaging videos with award-winning chefs highlighting their Incredible Egg Trend for U.S. foodservice operators.

**Colleges and Universities**

In April, the AEB officially launched Eggin’Uon! — a platform for colleges and universities designed to engage students and foodservice organizations, while developing menus that feature eggs. Egg-based recipes, on-campus promotional materials, case histories and online content helped college foodservice programs connect with students.
“Pork Mole Roulade Eggs” shot for the AEB’s Incredible Egg Trends series, “Elevated” segment, 2018
“Paella Egg Bowl” shot for the AEB’s Incredible Egg Trends series, “Global” segment, 2018
Additional onsite student promotions and life skills training highlighted egg nutrition and ease of preparation. For example, a major university in cooperation with the AEB set up a DIY scrambled egg bar in dining halls, where it also aired a video produced by the AEB demonstrating egg cooking techniques. The AEB also provided onsite training for foodservice personnel, with chef-to-chef egg menu training solutions focused on variety and increasing operational efficiency in serving eggs all day.

Additionally, Eggin’Uon! was invited to present and demonstrate global egg menu ideas for 60 college and university culinary directors at ChefNet, sponsored by the American Culinary Federation, and also participated in the National Association of College and University Foodservice annual conference.

**K-12 School Foodservice**

Targeted at K-12 school nutrition programs, the AEB’s Eggs In Schools (EIS) programming contributed to 4 percent growth in egg consumption for the 2017-2018 school year, putting nearly 1 million more pounds of eggs on school menus across the country.

EIS rolled out two new platforms — *Eat Better. Learn Better.* and *5 Days, 5 Ways™* — highlighting the nutritional benefits of eggs and innovative ways schools can use eggs across the menu cycle. Communications drove traffic to resources posted to AEB.org through advertising, email blasts and social media efforts. Success stories, taste tests and direct contact with this audience reinforced the AEB’s position as “The Breakfast Expert” among school foodservice decision-makers.

Notably, an *Eat Better. Learn Better.* pilot program for Charleston County School District yielded 2.7 million servings of eggs and will be rolled out nationally, starting with Des Moines Public Schools in 2019.

**Eggs in the Classroom**

Throughout the year, the AEB provided timely and relevant hen-to-home and culinary content for the classroom to key educational groups, including the National FFA Organization; Family, Career and Community Leaders of America; National Ag in the Classroom; and the American Academy of Family and Consumer Science. State promotional organizations and egg farmers also leveraged the AEB’s “event in a box” materials at local School Nutrition Association conferences.

**Exports**

Increasing exports of U.S. eggs and egg products is a strategic priority for the AEB. From 2016 to 2018, U.S. egg production increased 4.8 percent, while exports increased 13.6 percent. Exports accounted for 3.4 percent of egg production in 2018 versus 3.1 percent in 2016. Egg export value is expected to increase more than 5 percent in 2019.

In partnership with the U.S. Poultry and Egg Export Council (USAPEEC), the AEB continued to strategically target key egg markets — the Caribbean, Japan, Hong Kong, Mexico, the Middle East and South Korea — touting the safety and reliability of high-quality U.S. eggs and egg products. Promotional and educational activities, including a Caribbean/Mexican Buyer Egg Reverse Trade Mission; PR efforts at the Gulfood Show; and chef contests, seminars and promotional work in Japan, Hong Kong and Korea led to new buyers, new launches, expanded usage, media exposure and increased market share.

Industry efforts in 2018 to break down barriers and pursue export opportunities for U.S. eggs were effective. New markets were opened for U.S. egg producers in South Africa, India, Tunisia, New Zealand and St. Lucia. Restrictions detrimental to U.S. egg exports were lifted in South Korea, and AI regionalization for U.S. eggs also occurred. Direct efforts to support the allowance of U.S. washed eggs into Mexico gained significant traction, and joint industry efforts undertaken in 2018 are anticipated to pave the way for product marketing openings in South Africa and Morocco in 2019.
The AEB’s annual budget, plan and financial policy are determined and approved by its Board of Directors and implemented by the AEB leadership and its staff. Oversight of the AEB is carried out by the U.S. Department of Agriculture, which closely monitors the AEB’s compliance with the law, including approval of its budget.

For the year 2018, 126 handlers reported in and were assessed based on producers owning more than 75,000 hens. Total assessment revenue was $24.6 million representing assessments collected on 246,377,214 cases of eggs. Total excess of expenses over revenue was $3.8 million, reflecting a directive from the members of the Board to invest in additional programming by drawing from reserves.

The certified public accounting firm of Plante Moran audited the 2018 financial statements in accordance with the Generally Accepted Accounting Principals (GAAP) and in accordance with the Generally Accepted Government Auditing Standards (GAGAS). The financial statements were found to be free from material misstatements and were issued a clean opinion by Plante Moran.

Additionally, throughout 2018, the AEB worked to ensure that its system of internal controls was in strict compliance with the Egg Act, Order and the AEB By-Laws, as well as USDA’s Agricultural Marketing Service guidelines. The 2018 USDA AMS Management Review found no issues of significance.
## BALANCE SHEETS  
*December 31*

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</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>3,902,051</td>
<td>2,739,197</td>
</tr>
<tr>
<td>Lease Liability</td>
<td>2,296,028</td>
<td>2,390,603</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$6,198,079</strong></td>
<td><strong>$5,129,800</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Board Equity</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed Capital</td>
<td>66,244</td>
<td>66,244</td>
</tr>
<tr>
<td>Accumulated Excess of Revenue over Operating Expenses</td>
<td>11,308,475</td>
<td>15,260,375</td>
</tr>
<tr>
<td><strong>TOTAL BOARD EQUITY</strong></td>
<td><strong>$11,374,719</strong></td>
<td><strong>$15,326,619</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TOTAL LIABILITIES &amp; BOARD EQUITY</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$17,572,798</td>
<td>$20,456,419</td>
</tr>
</tbody>
</table>

## STATEMENTS OF REVENUE & OPERATING EXPENSE  
*December 31*

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Income</td>
<td>$24,637,766</td>
<td>$23,726,627</td>
</tr>
<tr>
<td>Egg Farmers of Canada</td>
<td>77,946</td>
<td>100,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>210,513</td>
<td>131,414</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>$24,926,225</strong></td>
<td><strong>$23,958,041</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Marketing</td>
<td>15,355,403</td>
<td>9,216,719</td>
</tr>
<tr>
<td>Foodservice</td>
<td>2,370,906</td>
<td>2,251,951</td>
</tr>
<tr>
<td>Nutrition</td>
<td>3,982,380</td>
<td>3,136,506</td>
</tr>
<tr>
<td>Special Projects</td>
<td>188,227</td>
<td>163,555</td>
</tr>
<tr>
<td>State Support</td>
<td>1,107,998</td>
<td>387,981</td>
</tr>
<tr>
<td>Material Distribution</td>
<td>245,926</td>
<td>265,413</td>
</tr>
<tr>
<td>Industry Programs</td>
<td>1,983,037</td>
<td>2,403,404</td>
</tr>
<tr>
<td>Egg Product Marketing</td>
<td>1,883,040</td>
<td>2,327,108</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAM EXPENSE</strong></td>
<td><strong>$27,116,917</strong></td>
<td><strong>$20,152,637</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administration and Collections</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>1,073,569</td>
<td>999,902</td>
</tr>
<tr>
<td>Collections</td>
<td>146,075</td>
<td>89,812</td>
</tr>
<tr>
<td>Board Meetings</td>
<td>289,721</td>
<td>337,423</td>
</tr>
<tr>
<td>USDA Administrative Expense</td>
<td>251,841</td>
<td>283,362</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,761,206</strong></td>
<td><strong>$1,710,499</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TOTAL EXPENSES</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$28,878,123</td>
<td>$21,863,136</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>REVENUES OVER EXPENSES</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(3,951,898)</td>
<td>$(2,094,905)</td>
</tr>
</tbody>
</table>
BOARD MEMBERS

Area I – North Atlantic States

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

Alternates
- Paul Sauder
  R.W. Sauder Inc.
  Lititz, PA
- Elliot Gibber
  Deb-EI Food Products LLC
  Elizabeth, NJ
- Lake Wagner
  Green Valley Poultry Farm/Dutt & Wagner
  Abingdon, VA

Area II – South Atlantic States

Members
- Jeff Hardin
  Cal-Maine Foods Inc.
  Flattonia, TX
- Steven (Scott) Horton
  Country Charm Eggs
  Gilsville, GA
- Alex Simpson
  Simpson’s Eggs
  Monroe, NC

Alternates
- Robert Saverance
  ISE dba “The Egg and I” Farm
  Lamar, SC
- John C. Watson
  Braswell Family Farms
  Nashville, NC

Area III – East North Central 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

Alternates
- Bob Gornichec
  Weaver Brothers Inc.
  Versailles, OH
- Tim Vande Bunte
  Konos, Inc.
  Martin, MI
- Ronald (Tad) Gross
  Hemmelgarn & Sons Inc.
  Coldwater, OH

Area IV – West North Central States

Members
- Amos Baer
  Baer Poultry Co. Inc.
  Lake Park, MN
- Bob Krouse
  Midwest Poultry Services
  Montrose, IN
- Ben Thompson
  Pearl Valley Eggs
  Pearl City, IL

Alternates
- Andy Seger
  Wabash Valley Produce Inc.
  Dubois, IN
- Mindy Truex
  Creighton Brothers LLC
  Alwood, IN
- Mike Elliott
  Michael Foods
  Minnetonka, MN
## Area V – South Central States

**Members**
- Steve George  
  Fremont Farms of IA  
  Malcom, IA
- Brent Nelson  
  Nelson Poultry Farms  
  Manhattan, KS

**Alternates**
- Blair Van Zetten  
  Oskaloosa Food Products  
  Oskaloosa, IA
- Bruce Dooyema  
  Dooyema & Sons Inc.  
  Sioux Center, IA

## Area VI – Western States

**Members**
- Mark Oldenkamp  
  Valley Fresh Foods Inc.  
  Woodburn, OR
- Michael Sencer  
  Hidden Villa Ranch  
  Fullerton, CA
- Anthony Demler  
  Demler Brothers, LLC  
  Ramona, CA

**Alternates**
- Roger Deffner  
  National Food Corp.  
  Everett, WA
- Clint Hickman  
  Hickman’s Egg Ranch  
  Buckeye, AZ
- David Elbel  
  Feather Crest Farms  
  Bryan, TX

---

“Miso Floating Egg Island” shot for the AEB's *Incredible Egg Trends* series, “Elevated” segment, 2018
The AEB Advisors

Steve Walcott
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

The AEB Advisors

Food Technology Advisory Panel

Anna Bauer
Senior Scientist, Conagra Brands, Chicago, IL

Lauren Renee Brewer, Ph.D.
Senior Scientist, One Global Baking, Innovation, Tech & Quality, R&D One Global Baking, General Mills, Minneapolis, MN

Joanna Clifton
Client Development/Market Analyst, Innova Market Insights, Boulder, CO

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

Mark Crowell
Principal Culinologist, CuliNex, LLC, Tukwila, WA

Elieke Demmer
Scientific Affairs Manager, RXBar, Chicago, IL

Mark Floerke
Project Leader (Scientist III) Bakery & Culinary Ingredient Applications, ADM, Decatur, IL

Oscar Garrison
VP Food Safety Regulatory Affairs, United Egg Producers, Johns Creek, GA

Stephen Kalil
Principal Culinologist, Flavor Design Studio, Dallas, TX

Michelle Kozberg
Category Manager, RXBar, Chicago, IL

Alexandra Kuechel
Ingredient Innovation Scientist, RXBar, Chicago, IL

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

Alicia Norman
Industrial & Food Service Technical Sales Manager, T. Marzetti Company, Columbus, OH

Chris Pierce
Heritage Poultry Management Services, Annville, PA

Sara Rosene
Senior Research Scientist, General Mills – Nutrition & Technology Solution, Minneapolis, MN

Blair Van Zetten
Oskaloosa Food Products, Oskaloosa, IA

Hongwei Xin, Ph.D.
Director, Egg Industry Center, Ames, IA

Dongjun Zhao
Senior Scientist, Breakthrough Innovation, Kraft Heinz, Glenview, IL

In Loving Memory of Louis B. Raffel (1933-2018)

The AEB’s first president, Louis “Lou” B. Raffel, passed away December 7, 2018 at age 85. Lou proudly led the AEB for 30 years until his retirement in 2006. A true visionary for the egg program, Lou was responsible for the famous “Incredible Edible Egg” slogan that launched in 1976, an icon of American advertising. His decades of service paved the way for many of today’s egg industry marketing efforts, and America’s egg farmers will remember him fondly.
Breakfast Pizza by ENC Egg Enthusiast Tawnie Kroll, RDN, for krollskorner.com, April 2018.