



incredible!

American Egg Board
2010 ANNUAL REPORT

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The American Egg Board's goal is to increase demand for eggs and egg products on behalf of U.S. egg farmers and to educate the public about the benefits of eggs.



Management Message

While 2010 was filled with major challenges, the American Egg Board (AEB) brought an *incredible* value to the industry and delivered a wealth of effective marketing and research not possible without a strong national organization.

In July, the egg industry was reassured that AEB would work closely with the United Egg Producers, the lead organization of the industry's *Egg Safety Crisis Plan*, and develop a *Parallel Crisis Protection Plan* to directly respond to consumers and address any other contingencies that may arise. With a vast online presence, AEB also created a *Social Media Crisis Response Plan* to protect its *incredible* brand.

In August, the largest egg recall in history occurred, impacting farmers, customers, and consumers across the nation. From day one of the recall, AEB implemented a number of activities to educate consumers, restore confidence, and infuse positive messaging into the marketplace. Key word search terms were purchased to redirect consumers to the Egg Safety Center website.

By the end of the first week, it was evident that the media coverage of the recall situation was not slowing down, resulting in AEB reallocating \$1 million from its existing budget to implement a campaign to maintain and regain consumer confidence in eggs. Some of these activities included:

- Running a full-page ad in *USA Today*, *The Wall Street Journal*, and *The New York Times* and in metropolitan newspapers in the top 25 news markets.
- Conducting a satellite media tour with Egg Ambassador and Registered Dietitian Liz Ward who demonstrated proper egg cooking techniques on 27 TV stations and nine radio shows. Sixty additional TV stations, including those in the top 20 U.S. markets, received a taped version.
- Recording a 60-second radio spot with egg farmer Chris Pierce that aired on channels nationwide.
- Distributing a statement from America's egg farmers on egg safety to 200 media outlets.

According to IRI data, retail egg sales returned to normal in just seven weeks (October 3) – quicker than any other significant food recall in recent U.S. history. Considering the magnitude of the recall and the negative media coverage of the crisis, AEB's efforts played a key role in minimizing erosion on consumer demand.

Taking place on the heels of this major egg recall and other industry challenges, the referendum to increase AEB's assessment could not have occurred at a more difficult time. The referendum passed by 51 percent, but not the required 67 percent; however, we believe the work and achievements of AEB remain *incredible*.

The Egg Nutrition Center (ENC) funded approximately \$2 million in nutrition research in 2010 – more than ever before. And, due to a new research protocol, the funding is more strategic as well. We're thrilled to promote USDA's findings that eggs are now 14 percent lower in cholesterol and 64 percent higher in vitamin D than previously reported.

The Good Egg Project (GEP) image campaign continues to reach and engage consumers with its farm-to-table education messages and showcase of egg farmers. The two-year "Sesame Street" partnership remains effective, as do the Community Breakfasts and egg donations. GoodEggProject.org continues to expand allowing consumers to tour several egg farms in the "Meet Our Farmers" series. AEB proudly supported Subway's national launch of breakfast and conducted several promotions with tie-ins to the GEP that proved successful.

In all its marketing programs, AEB worked diligently all year to meet – and in some cases exceed – its objectives as outlined in the *Strategic Plan*. Additional details on our marketing programs are included in the following pages. We look forward to continuing the momentum created in 2010 as we maximize our budget to develop and implement a results-oriented program that achieves success through integration of our marketing initiatives.



Craig Willardson
Chairman



Joanne Ivy
President & CEO


Craig Willardson
Chairman


Joanne Ivy
President & CEO

American Egg Board EXECUTIVE COMMITTEE



Craig Willardson
Chairman
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Creighton Brothers, LLC
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Joanne Ivy
President & CEO
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American Egg Board

American Egg Board ADVISORS



Terry Pollard
Allied Industry
Advisor



Angie Snyder
USDA
Advisor



Elliot Gibber
Further Processor
Advisor



Jim Sumner
Export Marketing
Advisor



Agricultural Education

GREG HERBRUCK
COMMITTEE CHAIRMAN

American Egg Board 2010 ANNUAL REPORT

The Good Egg Project (GEP) strives to educate consumers about the farm-to-table process and highlight the good works of America's egg farmers. This multi-million dollar, multi-year effort is built on three pillars: education about where eggs come from, participation in local community activities, and donations to help feed the hungry. The GEP earned more than 60 million impressions.

Education

In 2010, AEB continued its strategic partnership with "Sesame Street," the most-watched educational program for kids in the world. A GEP commercial aired with every episode of "Sesame Street," a total of 120,000 times, in 187 U.S. markets generating more than a total of 340 million impressions. AEB ran this same commercial on other TV networks and programs to further increase awareness of this effort. Additionally, AEB ran a variety of online advertising to reach influencers and made a number of radio commercials available for state and local use.

Also online, GoodEggProject.org continues to grow and allows visitors to tour five of America's egg farms in the "Meet our Farmers" series. This site remains the educational hub of GEP's efforts.

In partnership with Scholastic, AEB reached an audience of 15 million with information that encouraged students to learn more about the benefits of The incredible edible egg™. Twelve teachers also received a \$5,000 grant by submitting an essay explaining how they would improve achievement, attentiveness, and attendance in the classroom – starting with breakfast – if they were to receive the grant.

The Scholastic partnership also included "Incredible Breakfast, Incredible Achievement," a set of standards-based lessons, family activities, and recipes hosted on Scholastic.com/AllAboutEggs. More than 100,000 teachers of grades one through three nationwide each received an in-classroom poster outlining the egg production process on one side and complementary worksheets for students on the back.

AEB invited 18 mom bloggers to tour Hickman's Family Farms in Arizona and Willamette Egg Farms in Oregon for a first-hand look at modern egg farming. The bloggers shared their experiences, insights, and pictures on their blogs, educating their readers about the egg production process and providing egg cooking tips and recipes. The stories and posts from the bloggers' experiences reached 2.8 million readers. The bloggers also participated in a hands-on cooking class with Howard Helmer and Chef Jeffrey Saad.

These moms are an influential group who boast a large social media footprint, reaching friends and followers via Facebook and Twitter. AEB also reached multiple people via print and broadcast outlets resulting in 3.3 million impressions for this program.

Participation and Donation

AEB hosted five GEP Community Breakfasts feeding more than 2,400 people including soldiers on the USS Porter battleship, teachers on their first day of school in Philadelphia, those in need at two food banks, and members of the community at the Charlotte Farmer's Market. At the Philadelphia breakfast, AEB gave a special honor to Wilma Stephenson, one of its *Incredible*



People who was highlighted on the “Rachael Ray” show, as part of AEB’s branded entertainment partnership. Egg donations to the local food bank made at each breakfast resulted collectively in a donation of nearly half a million eggs!

The Community Breakfasts resulted in 10.4 million media impressions and allowed AEB to use its existing partnerships in new ways. For example, “Mr. Food” shot a segment aboard the USS Porter that focused on the GEP, and AEB thanked the military with a Community Breakfast right before the Fourth of July. Another “Mr. Food” segment was shot on a farm.

Coordinated by egg producers and processors, a donation of more than 3 million eggs helped provide relief to families affected by the Haitian earthquake.

Partnerships and Promotions

The *Breakfast Club* e-newsletters reach almost 50,000 consumers monthly promoting AEB’s partnership with Feeding America, providing back-to-school recipes for families, celebrating World Egg Day, and helping consumers plan their Thanksgiving with easy and affordable recipes. Through the inaugural February e-newsletter, AEB offered Buy-One, Get-One (BOGO) Dozen Free Coupons, valid for eggs up to \$1.50. In the week the coupon launched, AEB went from 1,600 to 60,000 Facebook fans and released a total of 50,000 coupons.

AEB also implemented and coordinated two successful GEP promotions with Subway. For both promotions, sales of egg sandwiches were matched by egg donations to local food banks, resulting in donations of 70,000 eggs to local food banks! There are plans to expand these promotions in 2011 with Subway.

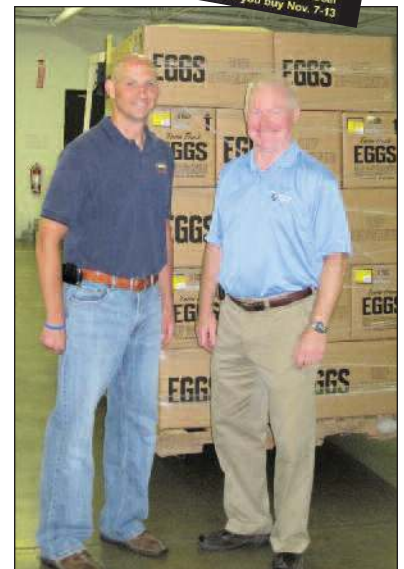
Speakers’ Workshops

This program strives to educate consumers about the farm-to-table process through talks given by local egg farmers. As a result of the two Speakers’ Workshops, egg farmers delivered 120 speeches throughout their communities during the year. To date, 25 farmers have been trained. Audiences, including members of the Rotary, Lions, and Kiwanis Clubs, expressed incredible, positive feedback from the presentations. Additionally, a half-day workshop was held in New York City during the State Promotion meeting in June, and 28 state directors received training.

Research

AEB funded a major multi-university, multi-disciplinary study titled, “Egg Sustainability—the Health and Welfare of Laying Hens” that reviewed eight key areas: Hen Health and Welfare; Supply Chain Dynamics, Economics, and Labor; Food Safety, Security, and Quality; Public Attitudes, Discourse, and Assurance; Human Health; and Environmental Impacts, Ecological Integrity, and Sustainability. A white paper was developed on each area to determine research gaps and identify future research needs.

Coordinated through Iowa’s Egg Industry Center, a carbon footprint study conducted a life-cycle analysis of the carbon footprint associated with U.S. egg production. The first phase focused on contemporary Midwest production conditions. Once the model is established and tested, the analysis will be expanded to encompass egg production conditions in other regions of the country and alternative production systems.





Consumer Marketing

CLINT HICKMAN
COMMITTEE CHAIRMAN

American Egg Board 2010 ANNUAL REPORT

Advertising

AEB continued its successful *Incredible People* advertising campaign focusing on the mental-and-physical benefits eggs provide. The national ad campaign centered around a single, iconic prop: a 1960's Egg Chair. The egg chair acted as a tool to highlight the advertising's *Incredible People* and their *incredible* skills.

The campaign featured two *Incredible People*: Luke Myers, Sport Stacking World Champion; and Luci Romberg, a free runner and national champion gymnast. Two television commercials, three radio spots, and a variety of online banner ads ran as part of the effort.

AEB ads appear on "Today," "Good Morning America," "The Early Show," "Fox News," and on cable networks like the Food Network, Weather Channel, TNT, and TBS.

AEB entered its third year of a strategic partnership with the "Rachael Ray" show to promote healthy eating and AEB's other promotions like the Good Egg Project and Scholastic partnership. The show has tremendous reach with a national audience of 1.5 million viewers daily.

As a result of shifts in strategy and a change of media planning and buying agencies, AEB increased its audience reach by 10 percent, despite a reduced budget.



Online Outreach

The incredible edible egg™ appeared on Facebook, Twitter, YouTube, Flickr, and IncredibleEgg.org, resulting in billions of impressions annually. Online communications and engagement promoted the value of eggs and highlighted quick-and-easy egg recipes, news about eggs, and other egg-related information on websites such as Weightwatchers, Yahoo, AllRecipes, Scholastic, About, Hulu, Blogher, and WildTangent. Ad word programming with Google and Bing ensured that AEB content appears high in egg-related searches.

AEB increased engagement with fans on The Incredible Edible Egg Facebook page through weekly polls about eggs. The page also encouraged fans to post their own recipes and photos, comment on twice-weekly recipe posts, and read status updates regarding interesting egg facts. Since December 31, 2009, fans grew from 1,579 to more than 85,000.

AEB added Spanish-language recipes to IncredibleEgg.org increasing the usability and appeal of this site. Added words like "huevos" also increased the site's ranking within search engine results.



Marketing Communications

AEB kicked off the New Year with the "Search for Incredible People." Consumers uploaded videos of their own personal talent or their child's extraordinary talent to IncredibleEgg.org. In the first week alone, the initiative garnered more than four million media impressions. AEB featured winner Tori Boggs, a two-time, all-around world champion and world record holder in female jump roping, in the *Incredible People* section on IncredibleEgg.org.



In February, AEB launched the first *Breakfast Club* e-newsletter for egg fans. The monthly newsletter reached a consumer database of more than 50,000 people and covered a variety of topics that offered cooking tips, promotions, recipes, and more.

AEB distributed an “Easter Made *Egg*ceptionally Easy” press kit to food and features media across the country that included recipes, nutrition, and hard-cooking tips from *eggsperts* Howard Helmer and Chef Jeffrey Saad. Helmer showcased the proper hard-cooking technique via a segment on “Mr. Food” that aired on 42 stations nationwide. Saad participated in a radio media tour and talked with 21 DJs nationwide garnering more than eight million impressions! In total, Easter and National Egg Salad week coverage garnered more than 31 million media impressions, with nationwide pick-up including *Business Week*, *Boston Globe*, *Detroit Free Press*, and *Pittsburgh Post-Gazette*.

For World Egg Day, AEB’s outreach included a segment on “Mr. Food” about egg safety and portable breakfast options, the *Breakfast Club* e-newsletter with global recipes, a new Subway promotion, and promotion of the holiday.

In December, AEB and Chef Saad spotlighted eggs as a means to help celebrate the holiday season. Saad conducted a satellite media tour with television and radio stations across the country showcasing the ease of creating traditional holiday recipes using the affordable and versatile egg in make-ahead quiches, casseroles, and special holiday desserts. A press kit and the December *Breakfast Club* e-newsletter featured recipes and tips. A month-long recipe exchange also occurred on the Incredible Edible Egg Facebook wall where egg fans were invited to share their favorite holiday recipes, stories, photos, and videos. For every recipe shared, AEB donated one dozen eggs to Feeding America. On Twitter, @Incredibleeggs offered a special giveaway to coincide with the satellite media tour – a free dozen eggs to the first 25 people to share their holiday recipe on Twitter.

Throughout the year, AEB provided the media with information about The incredible edible egg™, and editors ran articles and featured segments on the nutritional benefits of eggs as well as their versatility and affordability. In total, AEB earned more than 900 million media impressions.

Of note, *Men’s Health* highlighted the “Top Weight Loss Foods for 2010” in a piece for Yahoo! Health. “Live! With Regis and Kelly” included eggs in a list of ten “superfoods.” The “Today” show and “The Early Show” highlighted the benefits of eggs. *Family Circle* showcased the versatility, affordability and protein-rich package of eggs. *Self*, *Woman’s World*, *Fit Pregnancy* and *Prevention* magazines all featured the nutritional benefits of eggs. The August issue of *Marie Claire* and *Better Homes & Gardens* highlighted research from the University of Connecticut that found people who ate three eggs with toast for breakfast ate 112 calories less at lunch than those who ate a lighter breakfast. *The Oprah Magazine*, *Parenting*, *First for Women*, *All You*, *Cooking Light*, *Runner’s World*, and numerous others all helped educate consumers about the benefits of eggs.





Foodservice & Egg Product Marketing American Egg Board

PAT STONGER
COMMITTEE CHAIRMAN

2010 ANNUAL REPORT

National Accounts Program

In the past year, egg-related products available for breakfast at quick-service restaurants (QSRs) increased by an *incredible* 47 million servings, according to The NPD Group/CREST for the year ending August 2010.

This increase confirms that AEB's National Accounts program, focused on breakfast at QSRs, remains on-target for increasing egg sales in foodservice. AEB provided menu development assistance, test market support, research, information, promotional assistance, and other assistance as requested.

AEB has worked with Subway on its breakfast program for a number of years and resulted in the introduction of a national breakfast program in April at 24,000 locations. As part of the Good Egg Project (GEP), AEB also conducted two promotions with Subway – one in Washington, D.C. for World Egg Day and one in Pennsylvania for Veterans Day. In each promotion, AEB donated an egg to an area food bank for every egg sandwich purchased.

On World Egg Day, a Community Breakfast was held at the Capital Area Food Bank. Sponsored by Subway and AEB, the event featured:

- Chef Jeffrey Saad, host of the Cooking Channel's "United Tastes of America," demonstrating quick-and-easy recipe ideas.
- Subman mingling and sitting in the Egg Chair.
- Area egg farmers delivering eggs to the food bank.

In November, AEB and Subway partnered with three area food banks and the PA Department of Military and Veterans Affairs for another GEP promotion. In this promotion, active members of the military received a free breakfast sandwich on Veterans Day. Point-of-sale items publicized the promotion and media outreach occurred.

Media & Related Programs

New breakfast-themed ads launched in January and June focusing on the QSR segment. The annual schedule included seven insertions in two national restaurant magazines. A supporting online program provided more than 385,000 targeted impressions. Additionally, four issues of the *Breakfast Beat* newsletter reached this target audience.

Banner ads on several websites promoted *Breakfast Beat* and AEB.org included a newsletter sign-up and an archive of past issues.

The Foodservice section on AEB.org was updated, and social media such as Twitter, LinkedIn, and blog posts created an interactive forum and community. On Twitter, Foodservice can be followed @Eggs4FoodServe.

Eggcellent Chef Ambassadors' publicity

The *Eggcellent* Chef Ambassador program features well-known chefs as spokespeople for AEB in publicity, recipe development, culinary school programs, and other events. These chefs were featured in May's *QSR*, a magazine distributed to more than 30,000 QSR professionals.

This group also participated in World Egg Day via restaurant check stuffers that featured information about the GEP, and for every order of a featured egg dish at their restaurants, AEB donated an egg to Feeding America. The effort totaled more than 8,000 eggs.



Other Promotions

AEB sponsored a Breakfast Innovation Panel at the National Restaurant Show and at the Dine America Conference, as well as a Breakfast Innovation Webinar, all of which enhanced AEB's position as the breakfast expert to QSRs.

In 2010, more than 3,100 culinary students were reached with egg safety information, GEP messages, and the many benefits of featuring eggs on the menu. Printed egg safety and educational materials were also distributed to all participants.

AEB provided recipes, photos, preparation, and product information to the editors of national foodservice publications. More than 4.5 million impressions were earned from free editorials.

Egg Product Marketing Research

Snack and energy bar research commenced at University of Minnesota to identify the optimal ratios of egg white to egg yolk for moisture, energy, and nutrient content using various egg products and to evaluate sensory performance.

The 2010 Food Science Fellowship recipient at Kansas State University focuses on "Use and Modification of Egg Albumin for Enhanced Quality of Gluten-Free Bread."

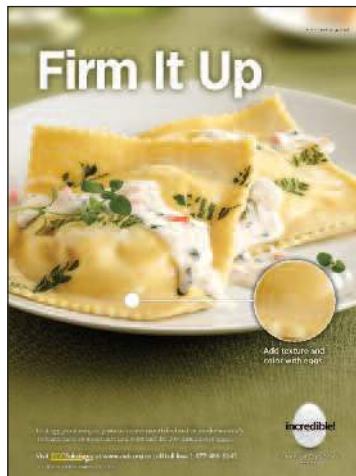
Egg product performance and price vs. egg replacer ingredients research was finished. A portion of the research was also presented at the 2010 IFT Expo in Chicago.

Research on the "Effect of Processing, Storage and Cooking on Omega-3 Fatty Acids, Lutein and Choline in Egg Products" at Iowa State University wrapped up. Among the three functional components, only lutein decreased significantly – mainly by storage and cooking.

Advertising

A new print and digital ad campaign focusing on the 20-plus functional and performance benefits of egg products rolled out. Big, beautiful food photography dominated the ads, but a new call-out highlighted the role of eggs in the featured food product. These ads ran in both print and online versions of *Food Product Design*, *Food Technology*, and *Prepared Foods*, as well as *Food Business News*. These ads delivered more than 3 million impressions. Food manufacturers and research-and-development scientists were also engaged via social media through Twitter as @Eggs4innovation, LinkedIn, and blogs posted on AEB.org.

AEB partnered with *Prepared Foods* magazine to produce its "Eggs Can Do That, Too!"



supplement that appeared online in its April issue. The insert speaks to the 20-plus functions of egg products and describes egg functionality in detail.

Education

Egg product educational opportunities included presentations by Chef Walter Zuromski at *Prepared Foods'* R&D Applications Seminar and Egg Product School, as well as co-sponsorship with ENC at the Institute of Food Technologists' Expo Symposium. The *Incredible! Egg Product Reference CD* version 3 debuted at this event.

An updated, more user-friendly version of AEB.org/FoodManufacturing now features product formulations using both dried and liquid eggs to complement the current print ad campaign. AEB-sponsored research summaries are posted along with links to search external egg-related research. A link to the online Hazard Analysis and Critical Control Points course, designed by AEB Food Science Fellowship Recipient with the help of Auburn University, also appears.

AEB also presented a free, one-hour webinar with *Prepared Foods'* magazine on breakfast food trends.

Dr. Glenn Froning, a retired food science professor from the University of Nebraska, continued serving as AEB's technical consultant for egg product food science and technology. He also answered technical questions received on AEB's *EGGSolutions* hotline.

The 12th annual meeting of AEB's Food Technology Advisory Council took place. Based on insights from this meeting, AEB planned to develop a research protocol and increase participation at in-person, educational events.



Industry Programs

ROGER DEFFNER
COMMITTEE CHAIRMAN

Retail Merchandising

During 2010, retail merchandising evolved from a focus on retailer outreach and education to increased emphasis on the core aspects of shopper marketing and information about egg shoppers.

AEB conducted its first-ever study of egg shoppers to increase the overall understanding of attitudes and motivations of egg consumers once they are in the retail environment. Information from the study provided the platform for retail marketing, promotional programs, and shopper marketing efforts.

Through a promotion with Shop-to-Cook, more than 6.5 million AEB recipes were viewed by shoppers on 850 interactive kiosks in more than 400 stores across the country. Consumers viewed either the Luke or Luci commercial as their recipes were printing. Impacting consumer behavior right in the store helped build demand and increase product usage.

AEB also partnered with Grocery Shopping Network. This unique online infrastructure engages shoppers on their grocers' websites as they're searching for specials and recipes, making their shopping lists, and finalizing purchase decisions. Eggs were promoted throughout the network via banner ads, recipes, and links to IncredibleEgg.org. A one-click button added eggs to each shopping list. Viewers of the ads represented an estimated \$1 million in incremental sales dollars. Based on this, return on investment was \$18.80 per \$1 spent.

A one-year sponsorship program with the Supermarket Guru Phil Lempert included 15- and 60-second ads, live interviews, and prize giveaways on his weekday morning radio segment featured on Doug Stephan's nationally syndicated "Good Day" radio broadcast. Via an on-air promotion, AEB also offered 24,000 Good Egg Project BOGO coupons.

The Best Practices for Egg Handling at the Warehouse DVD provided retailers with a hands-on, how-to guide to proper egg handling – complete from the time the warehouse receives eggs to the time trucks are loaded for shipment to the stores.

AEB offered 225,000 online coupons via SmartSource.com. The "Save \$0.55 when you buy 2 dozen eggs" coupon offer encouraged increased egg consumption by printing AEB's Chocolate Custard Pie recipe along with the coupon. With only one single click, consumers also accessed IncredibleEgg.org from SmartSource.com for more recipe ideas.

An on-pack carton promotion appeared on more than 8 million Kroger cartons and featured a recipe under the carton lid with directions to an online coupon for 75 cents off the purchase of Tabasco and eggs. A recipe for Huevos Rancheros printed with the coupon offer.



PHIL LEMPERT SUPERMARKET GURU



Industry Communications

AEB provided program updates and results through a variety of means. Monthly, AEB produced the *News from AEB* and distributed it via mail and email to farmers, state promotional groups, and industry friends. Each monthly handler report included a Handler Card with three bulleted updates. Both the Protein Comparison Chart and Egg Industry Fact Sheet were updated monthly. The latter was included in the *Eggschange* mailing as well. Each of these communications was regularly updated on AEB.org.

The Poultry Times ran AEB's bi-monthly "Hotline" update that reached a readership of more than 9,000. The industry press, including *Egg Industry* and *Feedstuffs*, received all of AEB and ENC's press releases. The weekly *Media Update* e-blast featured a recap of egg mentions in the press and reached more than 300 industry members.

Presentations were also made at industry meetings throughout the year to update the industry on AEB's activities.

State Support

AEB continued to provide funding to state promotional groups. In 2010, the states used 97 percent of their available funding.

The 2010 state meeting in New York City brought together state directors to hear updates on AEB and ENC programs. Twenty-eight attendees received training at the Good Egg Project Speakers' Workshop.

Promotional brochures, educational brochures, and recipe cards were made available for use by the state groups. The 2011 Calendar highlighted natural benefits of The incredible edible egg™.

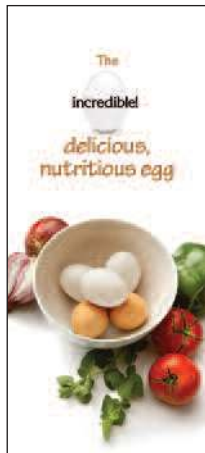
Publicity

The Easter holiday again involved AEB's participation in the annual White House Easter Egg Roll. In addition to providing 14,000 hard-cooked and dyed eggs, AEB provided the official volunteers' hats and aprons. AEB Chairman Craig Willardson and President Joanne Ivy presented the 33rd Commemorative Easter Egg to first lady Michelle Obama.

Export Marketing

In an effort to promote U.S. eggs internationally, the USA Poultry & Egg Export Council (USAPEEC) exhibited at the Gulf Food Show in Dubai, United Arab Emirates; co-sponsored the morning breakfast break at the Commodity Classic in Anaheim, CA; and participated in trade shows in Europe, Mexico, and Japan.

USAPEEC reached even more potential egg buyers in the Middle East, Mexico, Hong Kong, Dominican Republic, and Korea through in-store advertising, a bakery cooking competition, trade show participation, and trade seminars.





Nutrition

PAUL SAUDER
COMMITTEE CHAIRMAN

American Egg Board

2010 ANNUAL REPORT

Continuing to audit its programs and approaches, ENC now features an eye-catching design in support of its forceful mission statement. Throughout the year, ENC worked to better understand health professionals (HPs) and gather input as how to best serve this demographic. A brochure was developed and distributed to highlight ENC's mission and activities to increase awareness among HPs.

Egg Nutrition Research

ENC funded approximately \$2 million in nutrition research in 2010. With a new research process in place, the funding was more strategic as well. This approach helped ensure ENC and AEB a stocked research pipeline and timely results. In 2010, ENC received a total of 31 research proposals from a wide range of schools.

With the establishment of a strategic plan, ENC employed the scientific pillars of cholesterol, protein, and nutrient density to guide all research and education efforts.

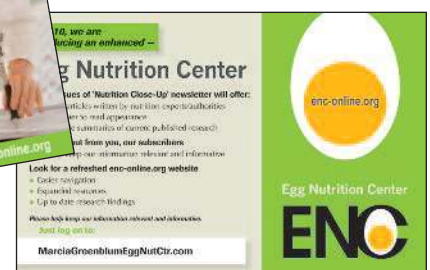
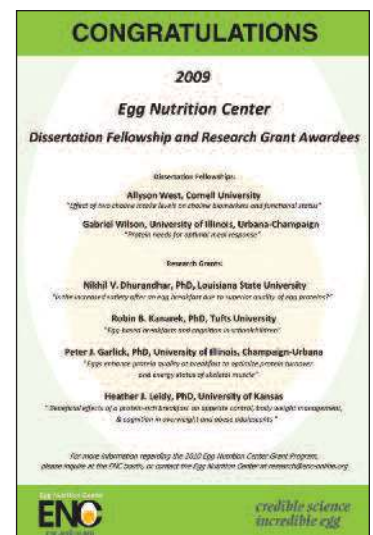
With insight from the Scientific Advisory Panel, ENC selected research projects based on a strategic focus, long-term publication interests, and scientific merit. These projects include:

- Maria Luz Fernandez, Ph.D., Dept. of Nutritional Sciences, Univ. of Conn. – “Effects of Egg Intake on Reverse Cholesterol Transport and Insulin Resistance in Subjects Classified with Metabolic Syndrome.”
- David L. Katz, M.D., MPH, FACPM, FACP, Director and Co-Founder, Yale-Griffin Prevention Research Center – “Effects of Egg Ingestion on Endothelial Function in Adults with Coronary Artery Disease.”
- Mark Kern, Ph.D., RD, CSSD, School of Exercise and Nutritional Sciences, San Diego State Univ. – “Effects of Consuming an Egg-Based Breakfast Combined with a Resistance Exercise Program on Body Composition and Serum Cholesterol Levels.”
- Lynn L. Moore, DSc, Associate Professor of Medicine, Section of Preventive Medicine & Epidemiology, Boston Univ. School of Medicine – “Effects of Animal and Plant Proteins and Their Food Sources on Selected Cardiometabolic Risk Factors in Adults.”
- Theresa Nicklas, DrPH, Professor, Children's Nutrition Research Center, Baylor College of Medicine, Department of Pediatrics – “Egg Intake, Diet Quality, and Healthy Lifestyle.”

USDA conducted its study after ENC shared other research that showed the nutrient content of eggs, particularly cholesterol, had changed. ENC enlisted the expertise of a researcher from Iowa State University to conduct a literature search and subsequently, to write a white paper on the possible reasons for this lower cholesterol content. A press release noting USDA's findings, including those on cholesterol and vitamin D, was also sent to health, food, and feature editors along with media-focused HPs.

As part of its efforts to establish itself as a credible resource for nutrition and food science research, ENC adopted the *ILSI Guiding Principles for Nutrition and Food Science Research*, which are displayed on its website.

Egg Nutrition Center



Online

The redesigned, improved EggNutritionCenter.org launched in July with new information and resources including the *Nutrition Research Update* newsletter, videos, social media, the pregnancy food guide, and more. CholineInfo.org was revised and planning began for a protein website.

EggNutritionCenter.org is branded with the new ENC colors and reorganized content allows for better communication with easy-to-navigate features. Site visitors can download resource materials, view all ENC-sponsored research results, learn about ENC research programs, and apply for grants.

The series of online *Video Research Reports*, presented by researchers who have conducted studies funded by ENC, creates awareness among healthcare providers and the scientific community and communicates that ENC strives to provide balanced, accurate information on the complex issues surrounding eggs and health.

Health Professional Outreach Efforts

To correspond with January’s National Birth Defects Prevention Month, ENC distributed a choline education mailing to more than 21,000 HPs.

To promote the health benefits, value, affordability, and versatility of eggs, ENC recognized February’s American Heart Month with a press release distributed to more than 1,600 nutrition and health editors. The release earned more than 3.3 million impressions.

ENC exhibited at four meetings that targeted primary care physicians, nurse practitioners, physician assistants, and registered dietitians. Starting at the Pri-Med South Conference, ENC displayed its research promotion sign for the first time and attracted attendees into the booth with great success.

In June, ENC hosted a roundtable discussion on dietary cholesterol and heart disease risk and addressed the current state of cholesterol science with experts in the field by tapping their expertise to help develop cholesterol research priorities and future programming.

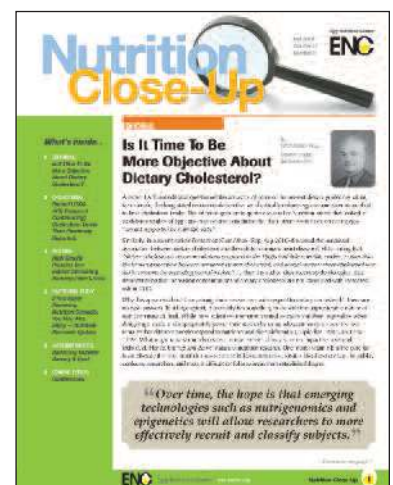
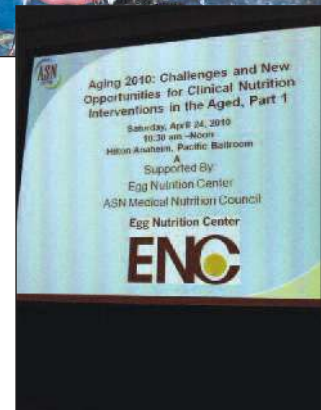
AEB and ENC jointly presented an educational session on the importance of breakfast and high-quality protein for the Institute of Food Technologists’ annual meeting in July.

The *Nutrition Close-Up* newsletter was published three times and mailed to 40,000 HP subscribers with a growing list of e-subscribers. Nutrition experts and ENC contributed newsletter articles, and a subscription list purge occurred through personalized online outreach. ENC created a *Protein Tool Kit* for healthcare professionals.

By sponsoring a breakfast symposium titled “Credible Science, Incredible Egg: Translating the Latest Science into Meaningful Nutrition Communications” for more than 200 nurse practitioners, ENC made a huge impression at the American College of Nurse Practitioners’ National Clinical Conference. ENC also hosted an exhibit booth and saw increased traffic due to the breakfast sponsorship.

The first issue of the newly redesigned *Nutrition Research Update* e-newsletter launched in August. The 900+ recipients of this e-blast consisted of individuals in the ENC’s thought-leader/HP database, as well as those signed up for the e-version of *Nutrition Close-Up*. The percentage of those who opened the email was well above the industry average.

Four *Nutrition News Bureau* e-blasts also reached HPs and engaged third-party experts on the following topics: egg-vs.-bagel breakfast research; Experimental Biology update; protein and teen obesity; and choline research round-up.



Health Professional Focus Groups

Four focus groups were held to better understand the views of various target audiences and to guide future programs. The two Chicago- and Boston-area groups targeted registered dietitians and a group consisting of nurse practitioners and physician assistants. There was one key takeaway: a willingness to engage with food commodity organizations for the purpose of education.

Registered Dietitian Advisors (formerly Egg Ambassadors)

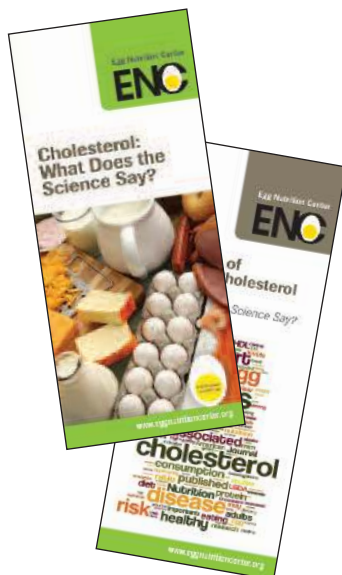
The Egg Ambassadors were renamed Registered Dietitian Advisors (RDAs) to best reflect their purpose and the make-up of members. A meeting of the RDAs was held at the American Dietetic Association annual meeting in Boston.

ENC extended invitations to three new professionals, and three prior members rotated off. A contract was developed for this group and the Scientific Advisory Panel.

The RDAs assisted with research communication efforts and participated in a number of information sharing/brainstorming conference calls. A number of individual RDAs worked on specialty programming including speaking at symposia and authoring and reviewing content for ENC's educational tools. In total, this group earned more than 66 million impressions throughout the year on ENC's behalf.

Research-Related Promotions

Ramping up promotion of its funded research throughout the year, ENC distributed these articles that mentioned its funded research to healthcare professionals at conference exhibit booths, presentations to HPs, and informal meetings with thought leaders.



Designed to help draw scientific conclusions, the review articles that featured ENC research included:

- Marie Caudill, Ph.D., RD; *2010 Journal of the American Dietetic Association*; "Pre- and Postnatal Health: Evidence of Increased Choline Needs."
- Steven Zeisel, M.D., Ph.D., *2000 Journal of the American College of Nutrition*; "Choline: Needed for Normal Development of Memory."

The original articles included:

- Heather Leidy & others; *2010 British Journal of Nutrition*; "Increased dietary protein consumed at breakfast leads to an initial and sustained feeling of fullness during energy restriction compared to other meal times."
- Valentine Njike & others; *2010 Nutrition Journal*; "Daily egg consumption in hyperlipidemic adults – Effects on endothelial function and cardiovascular risk."

Several scientific articles based on ENC-funded research were published including:

- "Dietary fat and cholesterol and CVD risk in older adults;" *Nutr., Metab & CVD*.
- "Protein intake and appetite in overweight and obese men;" *Obesity*.
- "Sunny Side Up: Eggs can be part of a healthy diet;" *Today's Dietitian*.
- "Pre and Postnatal Health: Evidence of increased choline needs;" *JADA*.
- "Consuming eggs for breakfast...reduces energy intake during the next 24 hours;" *Nutrition Resources*.
- "Addition of protein-rich breakfast...in breakfast skipping adolescents;" *International Journal of Obesity*.

Financial Report

Balance Sheets

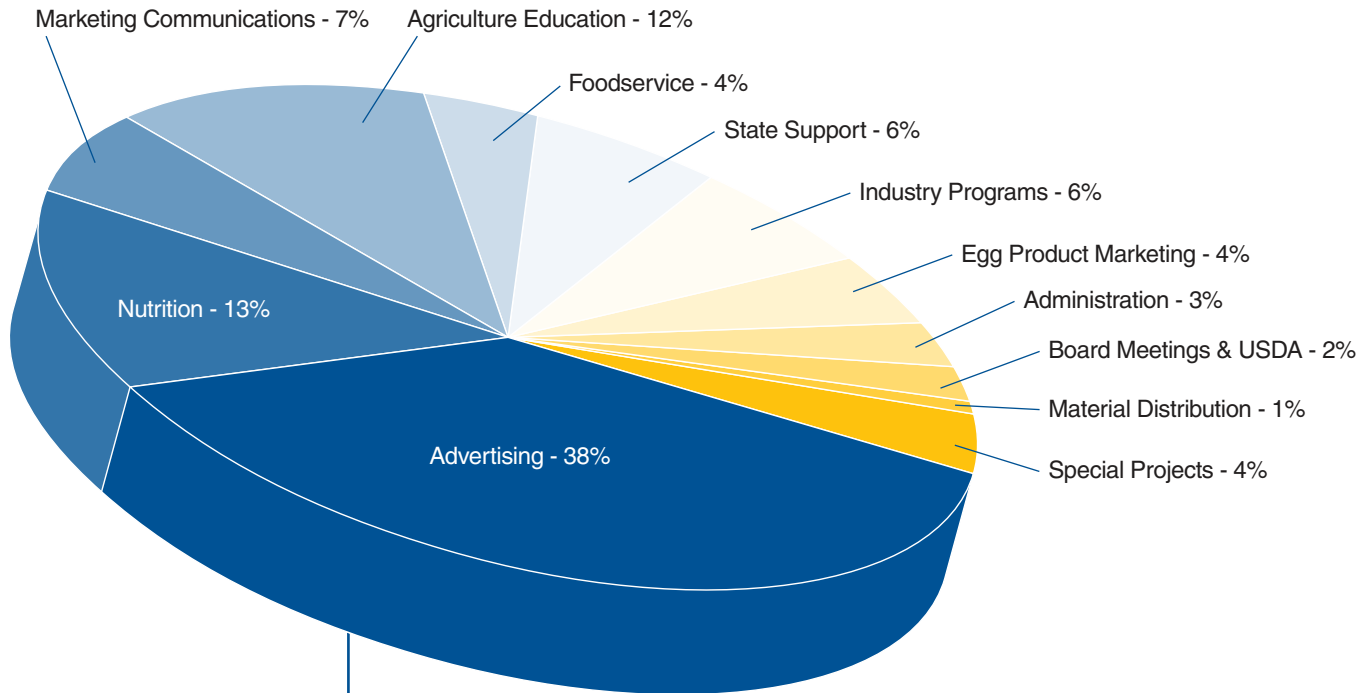
December 31, 2010 and 2009

| | 2010 | 2009 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and Certificates of Deposit | 9,150,161 | \$13,561,256 |
| Assessments Receivable | 2,717,518 | 2,019,487 |
| Other Receivables | 26,468 | 77,518 |
| Prepaid Expenses | 238,980 | 140,032 |
| Inventories | 232,674 | 185,305 |
| Office Equipment and Computer Systems, Net of Depreciation | 101,199 | 93,369 |
| Total Assets | \$12,467,000 | \$16,076,967 |
| LIABILITIES | | |
| Accounts Payable and Accrued Expenses | \$2,097,777 | \$2,285,253 |
| BOARD EQUITY | | |
| Contributed Capital | 66,244 | 66,244 |
| Accumulated Excess of Revenue over Operating Expense | 10,302,979 | 13,725,470 |
| Total Liabilities and Board Equity | \$12,467,000 | \$16,076,967 |

Statements of Revenue and Operating Expense

Years Ended December 31, 2010 and 2009

| | 2010 | 2009 |
|---------------------------------------|--------------------------|----------------------------|
| REVENUE | | |
| Assessments | 21,034,353 | \$20,647,914 |
| Egg Farmers of Canada | 96,862 | 100,560 |
| Interest | 99,246 | 375,918 |
| Total Revenue | \$21,230,461 | \$21,124,392 |
| OPERATING EXPENSES | | |
| Programs | | |
| Advertising | 9,426,690 | \$12,605,031 |
| Foodservice | 1,017,755 | 1,487,768 |
| Nutrition | 3,133,357 | 3,074,244 |
| Special Projects | 916,456 | 194,867 |
| Marketing Communications | 1,735,051 | 2,048,140 |
| State Support | 1,370,507 | 1,377,896 |
| Materials Distribution | 196,484 | 214,577 |
| Industry Programs | 1,552,464 | 1,060,673 |
| Egg Product Marketing | 1,044,480 | 1,190,494 |
| Agricultural Education | 2,991,097 | 1,779,351 |
| Total | \$23,384,342 | \$25,033,041 |
| Administration and Collections | | |
| Administration | 645,431 | \$559,955 |
| Collections | 119,088 | 121,924 |
| Board Meetings | 204,139 | 187,189 |
| USDA Administrative Expenses | 299,952 | 323,638 |
| Total | \$1,268,610 | \$1,192,706 |
| Total Expenses | \$24,652,952 | \$26,225,747 |
| REVENUES OVER EXPENSES | <3,422,491> | <\$5,101,355> |



AEB's administration of farmers' funds begins with the Board, which establishes the budget/ financial policy and makes program decisions, which are then implemented by AEB staff. The ultimate oversight of AEB is the Executive Committee and the U.S. Department of Agriculture, which monitors AEB's compliance with the law, including approval of the budget. AEB staff works hard to ensure that efficient and effective management is used and that administrative expenses are held to a minimum. With an eye on cost control, AEB spent 3 percent on administrative expenses in 2010, which includes the cost to operate the compliance and collections program.

Egg production and assessments are submitted through handlers on a monthly basis. Essential to AEB is the timely and accurate collection of the assessment of 10 cents per case from all farmers with more than 75,000 laying hens. For the year 2010, 159 handlers were reporting from farmers owning more than 75,000 layers. Total assessment revenue was \$21.03 million, representing assessments collected on 210.3 million cases of eggs.

AEB management enforces the AEB Expenditure and Documentation Guidelines to control expenses for AEB, ENC, and AEB agencies. Blackman Kallick, CPAs, Chicago, IL, audited the Board's 2010 financial statements and conducted AEB's first Generally Accepted Governmental Auditing Standards (GAGAS) audit.

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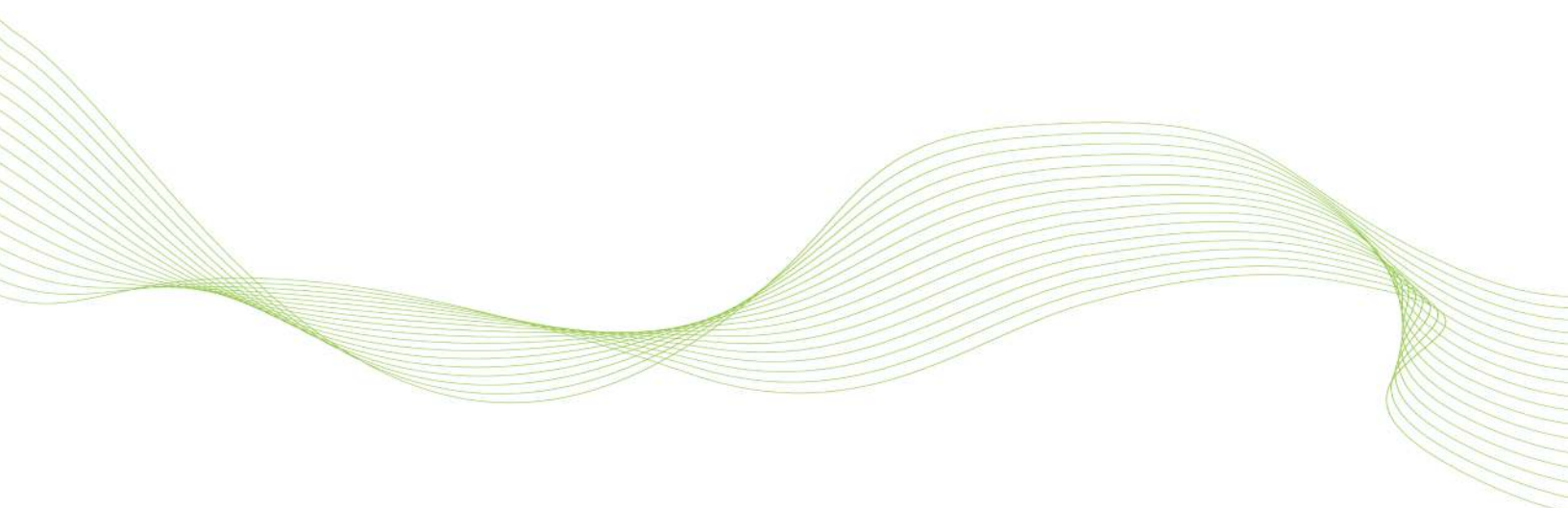
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