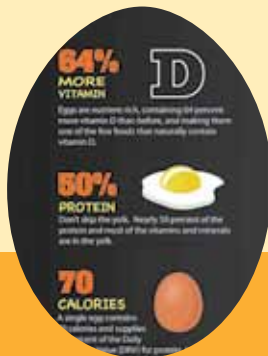


American Egg Board

# 2012

Annual Report



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**Christopher M. Pierce**  
Chairman



**Joanne C. Ivy**  
President & CEO

Opportunities came from challenges for the American Egg Board (AEB) and Egg Nutrition Center (ENC) in 2012. The Board charged the staff with earning more results with tighter budgets, and through a strategic, objective-aligned approach, AEB exceeded this call to action.

The five-year, independent return-on-investment (ROI) study by Dr. Ron Ward at the University of Florida confirmed AEB's value. The results showed a return of \$8.11 for every \$1.00 spent for the last five years. This illustrates the power of effective generic egg advertising; if all AEB's marketing efforts were examined, we are confident egg producers' ROI would reach double digits.

The *Demand Dashboard* gained more traction within the industry as the resource for meaningful metrics to better understand egg consumption. Its variety of measurements provides insight to the marketplace as well as consumer attitudes.

As part of an ongoing effort to evolve AEB's working style and service to egg producers, a project team was tasked with creating a mantra, a motto that will guide AEB strategy and daily work while reflecting our culture. AEB's new mantra is *Make it incredible!*

The ENC continues to fund more than \$1.3 million in annual research. This influx of new research allows ENC to maintain a constant pipeline of research that is the core of AEB's PR and advertising efforts.

The "Wake Up to Eggs" campaign focused on driving weekday breakfasts by showing consumers how quickly and easily eggs can be prepared. AEB reached more than 90 percent of adults four more times through print and online advertising.

AEB was thrilled to bring back the beloved Incredible Edible Egg Jingle. This well-known jingle was launched 35 years ago and is still widely recognized and fondly remembered. The jingle was relaunched with the same music and new lyrics that include the lower cholesterol and higher vitamin D news, as well as the fact that eggs can be conveniently cooked. To help promote the new jingle and encourage consumer engagement, AEB developed an aggressive and fun campaign.

AEB's National Accounts Program continues to reach out to Quick-Service Restaurants (QSRs) driving egg penetration of breakfast and innovation of menu items. Morning meal egg servings at QSRs have increased by more than 800 million servings since 2006, according to The NPD Group/CREST, year ending May 2012. Targeting food manufacturers and formulators, Egg Product Marketing promoted

the 20+ functions of egg products and added six new videos to FunctionalEgg.org.

The Good Egg Project (GEP) reached more teachers, students and parents through partnership with Discovery Education. The inaugural Virtual Field Trip shattered previous records and was Discovery Education's most successful field trip to date. Due to the horrific devastation resulting from Hurricane Sandy, AEB organized a GEP hunger relief effort for the residents of Staten Island, which was one of the worst areas affected by the superstorm. AEB fed hundreds of residents, national guardsmen, police and volunteers with hot breakfasts. The Board also made a major donation to the Stephen Siller Tunnel to Towers Foundation, a recognized FEMA distribution organization in Staten Island.

Under direction from AEB Members, AEB started the process of reclaiming Easter as THE egg holiday in 2012. We did this through a multi-pronged approach. Key highlights included taking over MSN.com as the sole advertiser for an entire day, offering Incredible Edible Egg Facebook fans a Buy One, Get One (BOGO) coupon, distributing eBooks to the media and more. Last year's media coverage featured a plethora of articles on Easter's origins, traditions and egg decorating. This summer, AEB began planning the Easter 2013 campaign, which will be the most comprehensive Easter campaign ever organized by AEB.

AEB's marketing programs are more integrated and stronger than ever. We continue to exceed our objectives and develop innovative strategies to continue promoting The incredible edible egg™. We appreciate your support of our efforts. ●

*Christopher Pierce*

**Christopher M. Pierce**  
Chairman

*Joanne Ivy*

**Joanne C. Ivy**  
President & CEO







**Karyn Kreher**  
Committee Chairman

## EXECUTIVE COMMITTEE



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Chairman  
Heritage Poultry  
Management Services  
Annville, PA



**Brian Hayward**  
Vice Chairman  
Creighton Brothers LLC  
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**Greg Herbruck**  
Secretary  
Herbruck Poultry Ranch  
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**Bruce Dooyema**  
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Dooyema & Sons Inc.  
Sioux Center, IA



**Andrew Reichman**  
Park & Reichman Inc.  
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**Craig Willardson**  
Immediate Past Chairman  
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**Joanne C. Ivy**  
ex officio  
President & CEO  
American Egg Board

## ADVISORS



**Angie Snyder**  
USDA Consultant



**Terry Pollard**  
Allied Industry Advisor



**Elliot Gibber**  
Further Processor Advisor



**Jim Sumner**  
Export Marketing Advisor

The Egg Nutrition Center (ENC) continued to fund more than \$1.3 million in annual research. This influx of new research allows ENC to maintain a constant pipeline of research that is the core of AEB's public relations.

### Dissertation Fellowships

Angela Bonnema, University of Minnesota, "Satiety effects of protein and fiber: the combination of egg and whole grains on appetite and food intake"

Melanie Mott, Boston University, "Effects of egg consumption on adolescent health over ten years of follow up"

### Research Grants

Almost 40 Letters of Intent were received from researchers across the country, and a total of 12 new research grants were awarded that focus on ENC's three pillars of cholesterol, protein and nutrient density:

- Jamie Baum, Ph.D., University of Arkansas, "The effects of consuming an egg-based breakfast on energy metabolism, food intake, and glycemic response in school-aged children"
- QiPing Feng, Ph.D., Vanderbilt University, "Egg yolk components rescue skeletal muscle from statin-induced toxicity"
- Arny Ferrando, Ph.D., University of Arkansas, "Effect of dietary protein intake distribution on protein metabolism and skeletal muscle"
- Samuel Klein, MD, Washington University, "Exercise training in conjunction with either a high-protein, low-carbohydrate or ADA/AHA diet in type 2 diabetes"
- Heather J. Leidy, Ph.D., University of Missouri, "Effects of increased dietary protein at breakfast alone, or in combination with lunch, in adolescents"
- Megan McCrory, Ph.D., Purdue University, "Relative effects of chronic consumption of egg protein at breakfast with and without fiber on brain neural activation, appetite, glycemic and lipemic control and self-selected energy intake"
- Diane L. McKay, Ph.D., FACN, Tufts University, "Effects of whole eggs combined with a typical cooked breakfast on postprandial markers of oxidative stress and antioxidant activity in older, overweight adults"
- Kevin L. Schalinske, Ph.D., Iowa State University, "Type 2 diabetes and vascular disease: impact of dietary egg consumption"
- Tong Wang, Ph.D., Iowa State University, "Production of food grade egg lecithin using 'green' technologies"

### Research-Related Promotions

"Exploring the Factors That Affect Blood Cholesterol and Heart Disease Risk" was published in the September 2012 issue of *Advances in Nutrition*. Co-authors are Dr. Penny Kris-Etherton from Penn State; Dr. David Katz from Yale; Dr. Maria-Luz Fernandez from University of Connecticut; Dr. Kasey Vickers from the National Institutes of Health; and ENC's Dr. Mitch Kanter. This article generated more than 9,000 impressions through the print journal and online. ENC also promoted this study through the blog and *Nutrition Research Update*, which is distributed electronically to more than 40,000 subscribers.

ENC also issued four press releases highlighting new egg nutrition research in 2012, generating more than 17 million media impressions.



### Health Professional Advisors

ENC's Health Professional Advisors (HPAs) attended a retreat in Chicago and learned about ENC's messages and research efforts. The HPAs also attended a farm tour at Pearl Valley Eggs. This year, the group was expanded to include a nurse practitioner, physician assistant and personal trainer along with registered dietitians (RDs). The HPAs presented at the Food & Nutrition Conference & Expo and American Academy of Nurse Practitioners National Conference that were attended by more than 300 health professionals (HPs) in total. This group also authored 24 posts for the *Nutrition Unscrambled* blog and three articles for *Nutrition Close-Up*.





**Partnerships**

ENC worked with the American Heart Association to update the Healthy Foods Under \$1 fact sheet, as well as its website and materials with outdated cholesterol numbers and conflicting information. ENC continued alliances

and partnerships with MyPlate.gov, Produce for Better Health/Fruit & Veggies More Matters Healthy Plate Program, Joslin Diabetes Center and Oldways MedAlliance. ENC continued to share research and health messages with industry groups at conferences and events.

**Targeting Health Professionals**

ENC reached a large range of HPs throughout the year. This included the publication of four *Nutrition Close-Up* newsletters that reached more than 40,000 subscribers.

In addition, ENC exhibited and attended conferences such as the American College of Sports Medicine Health and Wellness Summit; Collegiate and Professional Sports Dietitians Association; American Academy of Nurse Practitioners; IDEA World of Fitness; American Association of Family and Consumer Sciences; the Academy of Nutrition and Dietetics Food & Nutrition Conference & Expo; American Academy of Family Physicians; Illinois Dietetic Association Spring Assembly; New York State Dietetic Association Meeting; Washington, D.C. Dietetic Association's Annual Meeting and Experimental Biology.

These exhibits provided ENC the opportunity to interact with HPs from a variety of backgrounds, researchers and industry leaders. Its exhibit booth and any pre- and post-event materials promoted ENC's expertise as the resource for egg-related nutrition information.



**ENC-Sponsored Presentations**

"Stronger, healthier boomers: the role of resistance training and high-quality protein" by Wayne Campbell, Ph.D., Purdue University and Nicole Nichols, personal trainer

"Weighing the evidence: the role of protein in satiety and weight management" by Doug Paddon-Jones, Ph.D., and Heather Leidy, Ph.D.

"Myths and mysteries: dietary intake and diabetes" by Amy Campbell, MS, RD, CDE, and Osama Hamdy, MD, Ph.D., Joslin Diabetes Center

ENC hosted the webinar "Carbohydrate and Saturated Fat: Emerging Research and New Schools of Thought," with the University of Connecticut's Jeff Volek and WebMD's Kathleen Zelman, MPH, RD, as speakers. There were 533 HPs in attendance. Additionally, ENC partnered with the Sports, Cardiovascular and Wellness Nutrition Dietetic Practice Group to develop another webinar that was viewed by more than 2,200 different RDs.

**Online Outreach**

In 2012, ENC revamped its website that received more than 60,000 hits since September 2012 — a considerable increase from the previous site. On *Nutrition Unscrambled*, ENC blogged on a variety of topics like research, current nutrition topics, and two new themes, "What's for Dinner Wednesday" and "Fun Fact Fridays." ENC hosted its most successful Twitter chat (#EggChat) with Registered Dietitian Rebecca Scritchfield. #EggChat was one of the hottest emerging topics of discussion. There were more than 1,140 tweets and 123 participants.



**Other Activities**

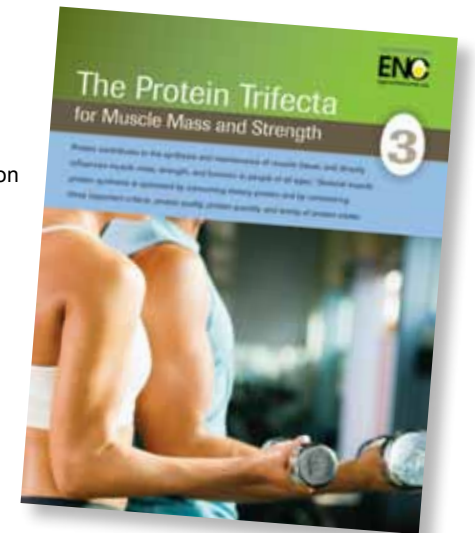
ENC worked with PluggedIn, an online marketing research community, to gain more insights on teachers, how they think, how they like to receive information and their thoughts on the ENC Teacher Exchange. Present membership in the Teacher Exchange program totals more than 1,000 health/science teachers.

On ENCTeacher.org, ENC created eight videos of teachers, administrators and food service personnel at schools in eight different cities that highlight unique programs being employed to combat childhood obesity epidemic.

ENC met with representatives from various animal protein industry groups to discuss development of Protein Consortium Meetings. The most recent meeting was a "think tank" among key leaders in protein research.

Research experts and AEB/ENC quickly responded to the negative *Atherosclerosis* study by Canadian researcher David Spence and successfully turned the media coverage positive.

ENC was integral in the creation of the International Egg Nutrition Consortium, executed by the International Egg Commission. This initiative represented a step forward in communication within the global egg industry, and work started on a communications Web page.



ENC's Dietetic Internship Program continued in 2012. Before sitting for the exam to become a dietitian, each future RD must successfully complete 1,200 hours of supervised practice. This program boosts ENC's reputation within the HP community by giving back to the profession.

ENC was instrumental in getting eggs accepted into the Walmart "Great For You" program. Eggs earned the "Great For You" seal and were highlighted in many of the promotional materials for the program launch. ENC's press release and Walmart's activities around the launch of the "Great For You" icon generated more than 38 million media impressions for eggs.

**Walmart Says Eggs Are "Great For You"**  
Retailer includes eggs in new healthy front-of-pack labeling system

**ENC Urges Walmart to Include Eggs**

**Integrated team effort:**

- One-on-one meeting between Dr. Mitch Kanter and key Walmart executive at Partnership for a Healthier America
- Created and delivered egg "rationale" letter to key Walmart executive
- Eggs included as key part of new labeling system announcement

**Eggs Featured in Majority of Coverage**

"We had a nice, long debate about eggs – but ultimately included them because they are a good, low-cost source of protein."  
-Andrea Thomas, Walmart Senior Vice President of Sustainability

**The New York Times**

**Chicago Tribune** **USA TODAY**

**CBS NEWS** **YAHOO! NEWS**





**Jerry Wilkins**  
Committee Chairman

## WAKE UP TO EGGS

### Advertising

AEB launched its new national advertising campaign, “Wake Up to Eggs,” that included magazine ads, online banners, radio spots and in-store signage.

Focused on the opportunity of weekday breakfast — less than one in five weekday breakfasts features eggs — the campaign educated Americans about the egg’s incredible nutritional profile. AEB leveraged “new” egg news, such as the lower cholesterol and higher vitamin D content, to keep eggs top of mind, drive purchases and increase weekday egg breakfasts. Additionally, AEB’s consumer target was expanded to include all adults, meaning men and women ages 18-49.

Throughout the various elements of the campaign, AEB asked consumers to rethink their breakfast choices. The question “Can your breakfast...?” headlines the advertising, challenging consumers to think about eggs in a brand-new way.

Magazines replaced television in AEB’s media mix to drive more purchases. In fact,



magazine advertising increases purchase intent five times as much as television advertising. AEB advertising reached 90 percent of adults (ages 18-49) 10 times in 2012, a significant increase in both reach and frequency over 2011.

### Easter 2012

AEB started the process of reclaiming Easter as THE egg holiday in 2012 through a multi-pronged approach. Key highlights included taking over MSN.com as the sole advertiser for an entire day the week before Easter, offering Incredible Edible Egg Facebook fans a BOGO coupon, distributing eKits to the media and more.

Additionally, a custom Easter infographic illustrating the business behind Easter, including Easter sales and fun Easter facts, was picked up in Captivate (elevators, taxis) and *USA Today Snapshots*. The infographic alone garnered 16 million impressions.



### The Incredible Edible Egg Jingle is Back!

AEB re-launched the Incredible Edible Egg Jingle with a robust program that included national and local radio advertising, as well as a Facebook video contest that kicked off with a video featuring a few of America’s egg farmers singing the updated jingle. The farmer video was a huge hit, and people of all ages entered the contest with videos of their own.



### Social Media

AEB continued to interact online with millions of consumers each month through its social media properties. By the end of the year, Facebook fans of the Incredible Edible Egg topped 420,000 and Twitter followers neared 6,000.

In late June, AEB launched a Pinterest board that, to date, has 16 boards showcasing beautiful images, further defining our social media presence and footprint in yet another social community. Pinterest is an online social community where users develop pin boards, similar to bulletin boards, and pin on a variety of topics ranging from recipes to places to travel.

AEB examined its engagement with its growing fan base on Facebook and adjusted content to fans’ usage habits by posting on the weekends and early mornings/evenings, and incorporating more questions and multimedia content. To celebrate the holiday season, AEB offered two coupons via Facebook with an offer for \$.55 off two dozen eggs. Redemption rates remain extremely high, topping 40 percent.

AEB’s back-to-school coverage garnered more than 33 million impressions, including 400+ placements. In addition to an electronic press kit, AEB distributed an infographic visually highlighting fun breakfast and egg facts, as well as emphasizing the important benefits of a high-quality protein breakfast that includes eggs.

### Public Relations

AEB’s 2012 public relations efforts resulted in a total of 553.3 million impressions, 81 percent over our anticipated goal. One particular highlight that supported these incredible great impression numbers was in February when Walmart unveiled its front-of-packaging labeling system. Through an integrated team effort with ENC and AEB, eggs were given the “Great For You” seal. Eggs were featured front and center in the announcement as an item that caused debate due to cholesterol concerns; however, they were ultimately featured because they are an affordable source of protein.

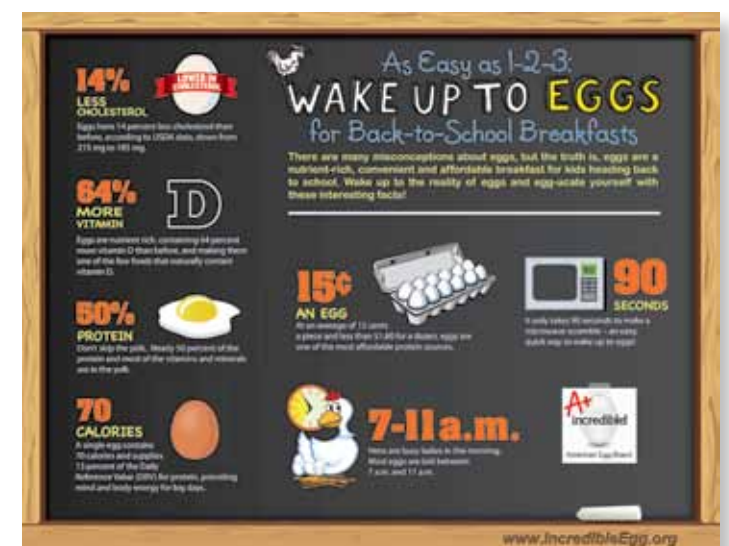
AEB/ENC put out a press release to continue to drive the egg coverage and fill in upcoming stories on National Nutrition Month — offering smart shopping tips and lower-cholesterol information. Coverage on this story garnered more than 30 million impressions.

Also captured within the overall public relations results were placements resulting from AEB’s deskside meetings with 14 editors from national long-lead publications including *Woman’s Day*, *Family Circle*, *Redbook*, *Food & Wine*, *Country Living*, *Ladies’ Home Journal*, *Working Mother*, *Weight Watchers* and *All You*.

### Benchmark Research

All of these programs together helped achieve some impressive results, which are highlighted here:

- From 2009-2012, there has been an 18 percent increase in the number of consumers who are “heavy egg users,” who are defined as people who purchase three or more dozen egg cartons each month.
- Eggs’ share of weekday breakfast has grown to 20 percent. This is up 10 percent from 2011 and is second only to cereal, which declined to 23 percent.
- Eggs are No. 1 in share of weekend breakfast, growing 9 percent in the last year to 25 percent. Cereal’s share is second at 19 percent, down 9 percent from last year.





# Foodservice & Egg Product Marketing



**Blair Van Zetten**  
Committee Chairman

## FOODSERVICE

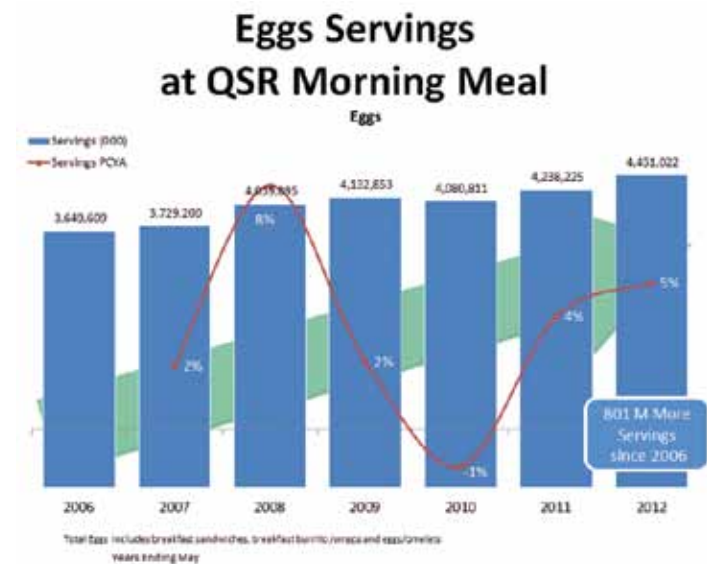
While nutrition-related breakfast messages resonated with consumers, restaurant chains also noticed the potential profits and recent growth in the breakfast category.

In foodservice, breakfast has outperformed lunch and dinner, and remains the bright spot in terms of traffic and sales at Quick-Service Restaurants (QSRs). AEB has taken advantage of this growth opportunity by focusing attention on the nation's largest quick-service chains. Egg sales increased by millions this year, and there is no sign that this trend will abate. QSRs are creating new egg-based breakfast sandwiches, and as a result, AEB assists with product development.

### National Accounts

The National Accounts program focuses on breakfast at QSRs by providing menu development assistance, test market support, research/information, promotional assistance and other support. AEB's focus is right on target, according to The NPD Group/Crest: Egg servings at QSRs for morning meals have increased by more than 800 million servings since 2006.

Through the Good Egg Project, Subway Restaurants and America's egg farmers partnered for the third year to feed those in need. In October, America's egg farmers donated one egg for every egg breakfast sandwich purchased at more than 2,000 participating Subway restaurants throughout the Northeast. Subway's breakfast sandwiches were part of the month's buy-one-get-one (BOGO) promotion.



### Media & Related Programs

AEB targeted QSRs through this online advertising program. With ads in *QSR* magazine, AEB earned 300,000 impressions with its target audience. AEB was the sole sponsor of the breakfast microsite hosted by *QSRMagazine.com*. The site provided two additional banner ads plus a Breakfast Portal Data section. Four issues of the *Breakfast Beat* newsletter targeting QSRs were distributed in 2012, garnering another 120,000 impressions.

The 2012 Culinary School Program provided numerous opportunities to reach students at culinary schools across the country. The program reached more than 1,600 students and instructors with egg messages.

AEB's work with foodservice industry trade publications achieved new heights with more than 33 articles placed in 15 publications. These egg messages generated more than 3.3 million media impressions.

AEB.org/Foodservice is a resource used by a multitude of foodservice operators. In 2012, more than 68,000 visits were recorded. Blog posts and a Twitter program created an interactive community to promote AEB's expertise to this audience.

## EGG PRODUCT MARKETING

### Advertising

Six print and digital ads spotlighted the distinct functional and nutritional advantages egg products offer in packaged foods and garnered more than 2 million impressions. Accompanying formulations utilizing dried and liquid eggs were developed and posted on AEB.org.

### Education Outreach

Six single-subject, egg product educational videos were produced featuring Auburn University's Dr. Shelly McKee. The videos showcase how egg products can help solve application challenges and build upon the functional knowledge shared in the previous videos. Viewers can earn Research Chefs Association Continuing Education credits.

In partnership with *Prepared Foods* magazine, a four-page insert titled, "Super Powers Simple Ingredients ... The Egg," was produced and distributed via print and online to more than 37,000 individuals involved in food manufacturing.

AEB continued its relationship with the American Institute of Baking (AIB) and presented technical lectures to attendees of a weeklong course related to cakes, cheesecakes and icings, and to attendees of a 16-week baking science and technology course.

Exhibiting in an updated booth, AEB reached food product development professionals at both the Institute of Food Technologists (IFT) Wellness 12 Conference and IFT Annual Expo.

Twenty Safeway research and development staff members participated in an AEB-sponsored workshop at the Safeway Culinary Kitchens to learn about the functional and nutritional benefits of egg products.

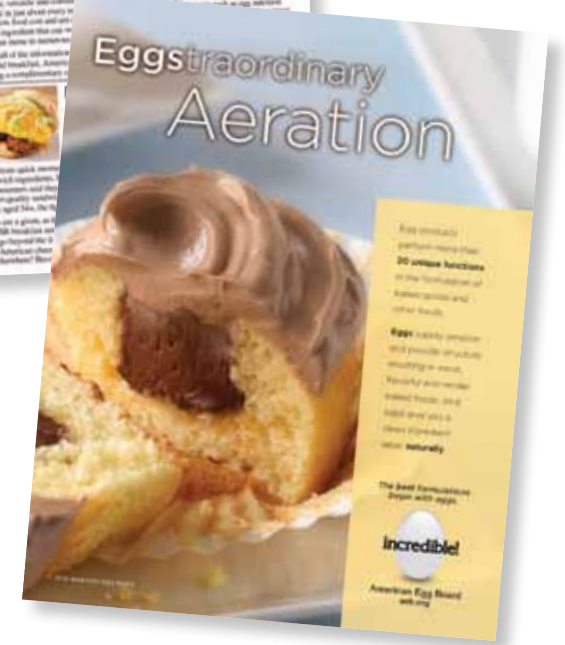
AEB sponsored the 9<sup>th</sup> annual *Prepared Foods* Excellence in Innovation Awards that recognized the teamwork involved in creating innovative new food products in both retail and foodservice outlets.

In October, AEB supported the 2012 National Egg Products School at Auburn University. Thirty-two students were on hand for lectures from AEB/ENC and AEB's Culinary Advisor Walter Zuromski, CEC, CCE, BS, who presented a lively demonstration.

*Egg Science & Technology Notebooks* were offered free of charge to state promotional organizations to share with their local food science educators. They were offered through an e-blast to college and university professors involved in food science, food engineering and similar fields.

AEB developed an *Egg Product Sales Resource Toolkit* for egg product supplier sales/distributor staff to communicate the benefits of formulating with eggs in customer meetings. Each toolkit includes AEB's Egg Product Resource DVD that includes summaries of egg product research and PDF files of AEB and ENC's collateral material.

Additionally, AEB.org/Food Manufacturers attracted almost 32,000 visits in 2012, an increase of almost 30 percent from 2011.



### Egg Product Marketing Research

The Food Technology Advisory Council meeting included representatives from egg farms, food manufacturing and academia. This group helps AEB gather insights and input on marketing, communications and research from industry experts.

Phase Three of AIB's Near Infrared Technology Product research was funded with the goal of helping egg processors predict functional attributes of dried egg whites before the product is shipped to food formulators.





# Industry Programs

**Mark Oldenkamp**  
Committee Chairman

## GOOD EGG PROJECT

In 2009, the Agricultural Education Committee launched the Good Egg Project (GEP), an effort to educate Americans about the farm-to-table process and promote egg farmers. Last year, GEP transitioned to the Standing Committee of Industry Programs, illustrating its importance to the Board.



## Discovery Education

AEB partnered with Discovery Education to bring the GEP into schools and target an older audience of students, parents and teachers through Web traffic, promotions, media outreach, social media, a contest and a virtual farm tour.

The program ran for the 2012 school year and included the virtual field trip to the Hickman's Family Farms, which included a post-trip activity and a microsite — Education Station — as well as two farm-to-table lesson plans for teachers. Additionally, the promotional campaign included online banner ads, direct-to-teacher outreach, social media outreach and media relations.

Discovery Education's virtual field trip reached more than 108,000 students and teachers, and received more than 2,500 questions, shattering previous attendance records. Through AEB's partnership with Discovery Education, the "Be A Good Egg" contest challenged teachers, students and parents to demonstrate their knowledge via an online survey to see what schools had learned about farm-to-table initiatives. Speake School in Danville, AL, won the grand prize of a \$5,000 educational grant for a health/nutrition initiative, as well as a donation to a local food bank in the school's name. Five runner-up schools each received a \$1,000 educational grant. In total, the Discovery program resulted in more than 37 million total impressions.



## Partnerships

AEB worked with NBC Universal in San Francisco, Dallas, Los Angeles, Chicago and New York, and ran a 60-second, pre-recorded interview with a local egg farmer. As a result, egg farmers donated 75,000 eggs to food banks in these markets. These custom segments earned more than 20 million media impressions.

As a joint foodservice and GEP effort, AEB partnered with Subway for a month-long promotion including a BOGO offer on egg sandwiches. For every egg sandwich sold at a participating store, America's egg farmers donated an egg to those in need. This promotion included 2,000 stores, and 350,000 eggs were donated to food banks on the East Coast. Local media outreach to support the promotion included geo-targeted press releases, follow-up with local reporters, radio giveaways in markets where Subway had not already purchased radio air time and social media outreach. The campaign resulted in more than 6.9 million media impressions.



## Speakers' Bureau

The Speakers' Bureau underwent a complete audit in January 2012. As a result, AEB brought several management components of the program in-house and eliminated the media outreach that resulted in a 50-percent savings per scheduled speech. Speakers' Workshops were conducted in March and December. Since its launch in 2009, AEB has trained 52 speakers and reached approximately 15,400 consumers. In 2012, 175 speeches were presented to local civic groups.

## Research

When the GEP launched in 2009, benchmark consumer research was conducted. Follow-up research conducted in 2012 shows the GEP is educating consumers:

- Nearly two-thirds of Americans agree that egg farmers provide safe, affordable and nutritious eggs, up from 54 percent in 2009 when AEB launched the GEP.
- 23 percent more Americans agree that egg farmers are committed to caring for animals.
- 19 percent more Americans agree that egg farmers treat their hens in a compassionate manner.

## Industry Communications

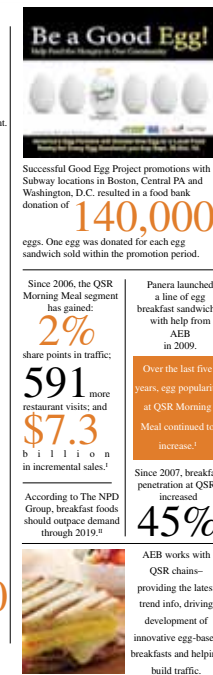
Through a variety of means, AEB kept egg farmers informed of their check-off investment and the results of each program.

In 2012, a series of infographics were developed to easily communicate results on AEB's recent programs across several departments. Each was repurposed in at least one way to extend its reach, including uses as AEB's hotline in the monthly *Poultry Times* and in Urner Barry's quarterly *Reporter*.

Efforts to increase coverage of AEB's programs by the industry press continued and yielded more than 30 editorial mentions as a result of better communication. Articles on recent achievements are submitted regularly to several publications and upon request.



**Breakfast** continues as the major growth driver in foodservice with more breakfasts, customers and eggs being served in this daypart. The nation's Quick Service Restaurants (QSRs) account for nearly 85% of all breakfasts away from home. Research shows the dramatic growth during the last several years. The American Egg Board focuses on the QSR segment.



Presentations at industry meetings across the country kept egg producers and the industry informed about AEB's efforts.

The weekly *Media Update* that recaps egg coverage in the national media grew to include more than 500 industry contacts and consistently had a 28-percent open rate, which is above industry averages. Its look will be refreshed to coordinate with a redesign of the *News from AEB* in January 2013.

## State Support

In 2012, the 37 eligible states used 93 percent of their funding to further AEB's national messages at the local level.

To be eligible for state support funding, each state promotional organization submitted a plan of action to outline how AEB's funding would support the "Wake Up to Eggs" advertising campaign or GEP.

detailed guidance on how to host local GEP breakfasts, as well as backdrops for display areas.

The annual state marketing meeting was held in June and provided the opportunity for state directors to discuss the marketing efforts they put forth at the state level and to garner new ideas from other state directors.

Using AEB materials, these organizations reached more than 7,500 teachers and 150,000 students over the course of the year through in-school omelet workshops and teacher in-services for those in the family and consumer science classrooms. The state promotional organizations earned 45 million media impressions through TV, radio and print advertising including value-added time and ad space.







**White House Easter Egg Roll**

AEB continued its tradition of supporting the White House Easter Egg Roll by donating 14,000 hard-boiled and dyed eggs, as well as the volunteers' hats and aprons featuring the official White House Easter Egg Roll logo.

To kick off the event, thousands of people stopped by the Incredible Egg, a 16-foot, inflatable incredible egg featured on the Ellipse of the White House and the Incredible Egg Chair to take pictures before heading to the South Lawn for the egg roll, cooking demonstrations, musical performances and more.

AEB Chairman Christopher M. Pierce and AEB President Joanne C. Ivy presented the 35<sup>th</sup> Commemorative Egg to First Lady Michelle Obama on behalf of America's egg farmers. President Obama attended the presentation, as did his daughters Malia and Sasha, and Bo, the first dog.

Louisiana artist Penny Smith found inspiration for the outside of the 35<sup>th</sup> Commemorative Egg from Washington, D.C. and its famous cherry blossom trees. The inside showcased children in action outdoors, which was inspired by the theme of this year's White House Easter Egg Roll, "Let's Go, Let's Play, Let's Move."

**Export**

AEB provided funding to the USA Poultry & Egg Export Council (USAPEEC) to promote U.S. eggs and egg products internationally, reaching potential international egg buyers through a variety of marketing efforts including seminars and trade shows. Last year, 2012 exports set a record 274 million dozen egg exports worth \$263 million.



With 62,000 visitors from 152 countries at the Gulfood Show, 50 Middle Eastern traders made product requests at USAPEEC's booth. In Mexico, USAPEEC conducted on-site technical training visits with 61 leading bakeries, mayonnaise producers and food manufacturers, generating \$400,000 in sales. In Japan, U.S. egg products are promoted at three trade shows, reaching more than 120,000 people. In the Dominican Republic, USAPEEC provided training to 50

chefs and foodservice operators in the hotel and restaurant industry. At the SIAL show in Paris, 140,000 visitors, generating 40+ trade leads, were reached.

USAPEEC Korea translated and produced six egg product training videos featured on FunctionalEgg.org and distributed them to 100 top food professionals. In Hong Kong, USAPEEC received more than 11,000 website visitors and reached 100 culinary students through eight pastry demos, 4,000+ through double-page advertisements in *Today's Baking* and 1 million through truck advertising. ●



**FOOD TECHNOLOGY ADVISORY COUNCIL**

**Patricia Curtis, Ph.D.**

Director and Professor,  
Auburn University Food Systems Initiative,  
Auburn University, Auburn, AL

**Glenn Froning, Ph.D.**

AEB Food Science and Technology Advisor,  
Professor Emeritus,  
University of Nebraska-Lincoln, Lincoln, NE

**Howard Magwire**

United Egg Producers, Washington, D.C.

**Peeyush Maheshwari**

Technical Category Manager, Advantage Materials  
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**Shelly McKee, Ph.D.**

Associate Professor, Department of  
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**Eric Sparks, CEC**

Director of Product Development,  
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**Patricia Stonger**

Director, Technical Services and Regulatory  
Affairs, Daybreak Foods Inc., Lake Mills, WI

**Brian Strouts**

Head of Research and Technical Services,  
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Contributing Editor, *Food Technology*, Chicago, IL

**Erika B. Smith, Ph.D.**

Senior Principal Scientist, Ingredient Technology,  
General Mills, Minneapolis, MN

**Blair Van Zetten**

Oskaloosa Food Products, Oskaloosa, IA

**NUTRITION SCIENTIFIC ADVISORY PANEL**

**Jeffrey Blumberg, Ph.D., FACN**

Professor, Friedman School of  
Nutrition Science and Policy,  
Antioxidants Research Laboratory,  
Tufts University, Boston, MA

**Jim House, Ph.D., J.D.**

Professor and Department Head,  
Monogastric Nutrition/Nutritional Biochemistry,  
University of Manitoba, Winnipeg, Canada

**Sam Klein, M.D.**

William H. Danforth Professor of Medicine  
and Nutritional Science Director,  
Center for Human Nutrition Chief, Division of Geriatrics and  
Nutritional Science Director, Center for Applied Research Sciences  
Medical Director, Weight Management Program,  
Washington University School of Medicine, St. Louis, MO

**Gil Leveille, Ph.D.**

Owner and President, Leveille Associates,  
Past President, Institute of Food Technologists,  
New York, NY

**Douglas Paddon-Jones, Ph.D.**

Associate Professor,  
The University of Texas Medical Branch,  
Department of Physical Therapy,  
Allied Health Sciences, Galveston, TX



**BALANCE SHEETS**

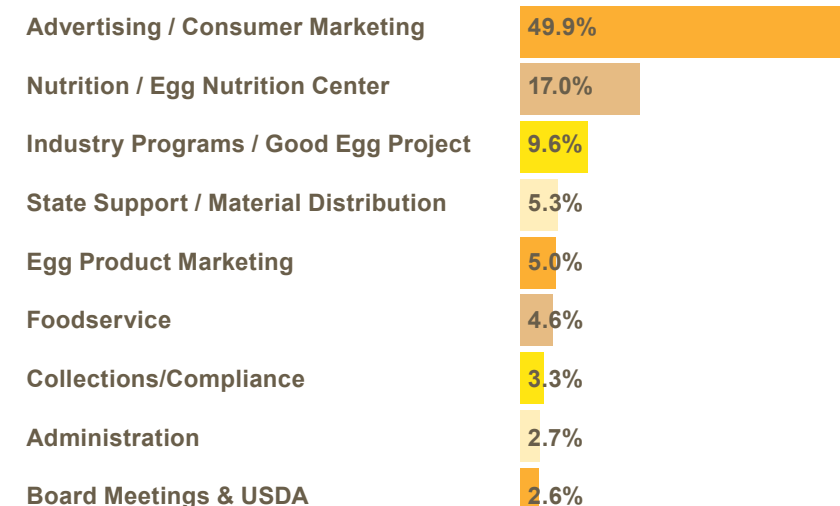
December 31, 2012 and 2011

		2012	2011
<b>Assets</b>	Cash & Certificates of Deposit	\$ 9,336,143	\$ 6,051,612
	Assessments Receivable	1,893,204	2,388,078
	Other Receivables	20,860	65,173
	Prepaid Expenses	179,059	171,300
	Inventories	212,443	246,231
	Office Equipment & Computer Systems, Net Depreciation	87,527	77,308
	<b>TOTAL ASSETS</b>	<b>\$ 11,729,236</b>	<b>\$ 8,999,702</b>
<b>Liabilities</b>	Accounts Payable and Accrued Expenses	\$ 1,559,648	\$ 1,409,038
<b>Board Equity</b>	Contributed Capital	66,244	66,244
	Accumulated Excess of Revenue over Operating Expenses	10,103,344	7,524,420
	<b>TOTAL LIABILITIES &amp; BOARD EQUITY</b>	<b>\$ 11,729,236</b>	<b>\$ 8,999,702</b>

**STATEMENTS OF REVENUE & OPERATING EXPENSES**

Years Ended December 31, 2012 and 2011

<b>Revenue</b>	Assessments	\$ 21,885,739	\$ 20,961,143
	Egg Farmers of Canada	100,000	100,000
	Interest	22,149	20,764
	<b>TOTAL REVENUE</b>	<b>\$ 22,007,888</b>	<b>\$ 21,081,907</b>
<b>Operating Expenses Programs</b>	Advertising / Consumer Marketing	\$ 9,686,068	\$ 10,941,219
	Foodservice	903,401	1,086,881
	Nutrition / Egg Nutrition Center	3,299,916	3,173,274
	Special Projects	-	366,039
	Marketing Communications	-	1,469,735
	State Support / Material Distribution	1,027,865	1,392,405
	Industry Programs / Good Egg Project	1,874,301	1,365,580
	Egg Product Marketing	966,629	1,079,420
	Agricultural Education	-	1,780,418
	<b>TOTAL</b>	<b>\$ 17,758,180</b>	<b>\$ 22,654,971</b>
<b>Administration and Collections</b>	Administration	\$ 524,298	\$ 526,710
	Collections / Compliance	639,843	164,514
	Board Meetings	189,812	206,488
	USDA Administrative Expenses	316,831	307,782
	<b>TOTAL</b>	<b>\$ 1,670,784</b>	<b>\$ 1,205,494</b>
	<b>TOTAL EXPENSES</b>	<b>\$ 19,428,964</b>	<b>\$ 23,860,465</b>
	<b>REVENUES OVER EXPENSES</b>	<b>\$ 2,578,924</b>	<b>\$ (2,778,558)</b>



AEB's administration of producers' funds begins with the Board, which establishes the budget/financial policy and makes program decisions that are then implemented by AEB staff. The ultimate oversight of AEB is the Executive Committee and the U.S. Department of Agriculture that 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 2.7 percent on administrative expenses in 2012.

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 of 30 dozen eggs from all egg producers with more than 75,000 hens. For the year 2012, 145 handlers were reporting from egg producers owning more than 75,000 hens. Total assessment revenue was \$21.88 million, representing assessments collected on 218.4 million cases of eggs.

AEB management enforces the AEB Expenditure and Documentation Guidelines to control expenses for AEB, ENC and AEB agencies. Plante Moran (formerly Blackman Kallick), CPAs, Chicago, IL, audited the Board's 2012 financial statements and conducted an audit of AEB under Generally Accepted Governmental Auditing Standards (GAGAS).



**Area I – North Atlantic States**

**Members**



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



**Christopher M. Pierce**  
Heritage Poultry  
Management Services  
Anville, PA

**Alternates**



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



**David Radlo**  
Radlo Foods  
Watertown, MA



**Jesse Laflamme**  
Pete & Gerry's  
Organics LLC  
Monroe, NH

**Area II – South Atlantic States**

**Members**



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



**Larry Thomason**  
Larry Thomason  
Egg Farm Inc.  
Calhoun, GA



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

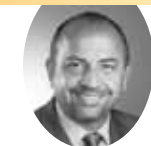
**Alternates**



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



**Richard Simpson**  
Simpson's Eggs Inc.  
Monroe, NC



**Scott Horton**  
Country Charm Eggs  
Gillsville, GA

**Area III – East North Central States**

**Members**



**Greg Herbruck**  
Herbruck Poultry  
Ranch  
Saranac, MI



**Tad Gross**  
Hemmelgarn &  
Sons Inc.  
Coldwater, OH



**Brian Winner**  
Ross-Medford Farms  
New Weston, OH

**Alternates**



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



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



**Bill Glass**  
Fort Recovery Equity  
Farms Inc.  
Fort Recovery, OH

**Area IV – West North Central States**

**Members**



**Scott Ramsdell**  
Dakota Layers LLP  
Flandreau, SD



**Brian Hayward**  
Creighton Brothers  
LLC  
Atwood, IN



**Pat Stonger**  
Daybreak Foods Inc.  
Lake Mills, WI

**Alternates**



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



**Ruth Ann Hendrix**  
Rose Acre  
Farms Inc.  
Seymour, IN



**Jerry Wilkins**  
Rocky Mountain Eggs Inc.  
Platteville, CO

**Area V – South Central States**

**Members**



**Diane Sparish**  
Michael Foods Inc.  
Minnetonka, MN



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



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

**Alternates**



**Greg Nelson**  
Nelson Poultry  
Farms Inc.  
Manhattan, KS



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

**Area VI – Western States**

**Members**



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



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



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

**Alternates**



**Craig Willardson**  
Moark LLC  
Fontana, CA

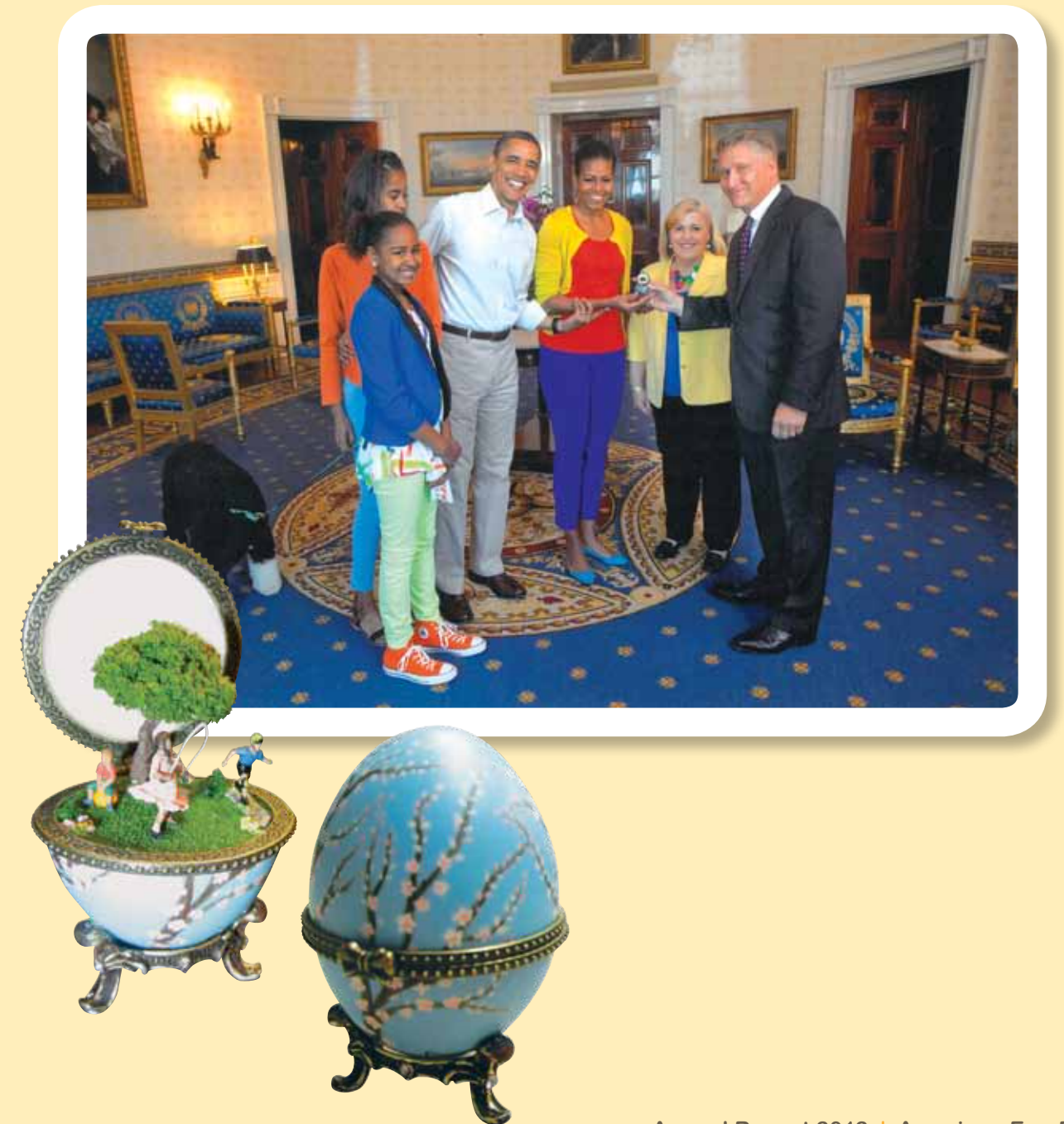


**Mark Oldenkamp**  
Valley Fresh  
Foods Inc.  
Woodburn, OR



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

To allow egg producers to fund and carry out proactive programs to increase demand for eggs and egg products through research, education and promotion.





American Egg Board  
1460 Renaissance Drive  
Park Ridge, IL 60068

p 847.296.7043  
f 847.296.7007

AEB.org  
IncredibleEgg.org  
EggNutritionCenter.org

**incredible!**

