



THE AMERICAN EGG BOARD

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Annual Report

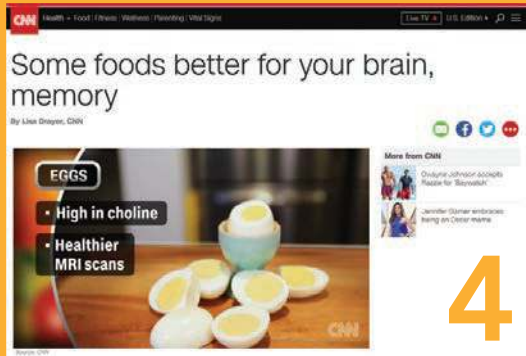
The AEB's mission is to increase demand for eggs and egg products through research, education and promotion.



"Cheesy Fried Egg & Mortadella Banh Mi"
shot for the AEB's *Eggin'U'On* Colleges &
Universities platform, Global Recipes, 2019

Table of Contents

- 2 Management Message
- 3 Executive Committee
- 4 Nutrition
- 8 Consumer Marketing
- 13 Market Development
- 16 Administration
- 17 Financials
- 18 Board Members
- 20 Advisory Panels



About the Cover Art

On the front cover: “Ninja’s Egg and Mushroom Pizza by the Slice” shot for the AEB’s *Dinner Eggs* campaign

On the back cover: “Mixed Vegetables Frittata” shot for the Egg Nutrition Center’s recipe collection



Management Message

It is our honor and pleasure, as Chairman and as President & CEO of your American Egg Board (AEB), to present the 2019 Annual Report, chronicling yet another consecutive year in which your AEB delivered powerfully on its mission to drive demand for eggs and egg products.



Once again, we met our objectives: year-over-year growth in demand across retail, manufacturing and foodservice; more eggs in schools; opportunities created in exports; and demand-driving advancements in the field of egg nutrition.

In 2019, we also completed several key deliverables of a multi-year organizational effort necessary to transform your AEB into a more modern, efficient and high-performing organization. Advances this year included strengthening of our producer/handler communication and information, including our assessments database; enactment of key internal operating policies; outsourcing of our IT needs, resulting in substantial savings; launching both a Leadership Initiative and an Employee Recognition Program; and landing on an important board reapportionment plan presently under USDA review.

The best practices we've implemented organizationally are, of course, matched by programming that is now widely considered best-in-class among commodity checkoffs. This report covers key efforts deployed under the AEB's three board-led committees: Nutrition, Consumer Marketing and Market Development.

Some highlights:

- The AEB's nutrition research group, the Egg Nutrition Center, propelled nutrition science around eggs in exciting new directions, notably focusing on choline and lutein — nutrients plentiful in eggs that have been shown to support cognition. As a result, the egg is now recognized as a brain food. In addition, this year, ENC's enhanced outreach to health professionals reinforced our connection to this community and ENC's position as an authoritative source of science-based nutritional information.



- The "Dinner Eggs" campaign by the AEB's Consumer Marketing team moved to increase demand for eggs by expanding into new meal occasions, introducing a delightfully *new kind of egg* laid by

nightshift hens in the evening: the Dinner Egg. During the campaign launch window, retail sales volume — the best way to measure consumer demand — increased 4.5% in equalized dozens versus the same period the prior year.

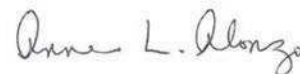
- Made with REAL Eggs® certification seals created by the AEB's Market Development team for manufacturers and foodservice achieved key development milestones in 2019 and are now poised to set a bar for authenticity in the market. With successful pilots completed by 7-Eleven and White Castle, the new seals formally launch in 2020, providing a benefit to products and menus carrying the seal — backed by the AEB's consumer research.

Your AEB also undertook broader strategic initiatives, bringing collective expertise to bear. Notably, last year, we formed a cross-organizational working group, comprised of leadership from our three board-led committees and industry experts, to explore the industry's role and response to new developments around plant-based foods — a key trend with implications and opportunities for eggs. We look forward to sharing further developments with the industry in the future.

In conclusion, demand for eggs and egg products has reached the highest levels we've seen in 50 years. Compelling more people to use more eggs more often is a challenge when you're already a household staple, but it's a challenge we embrace. And as the AEB's 2019 Annual Report demonstrates, it is achievable. We are committed in 2020 to driving demand in exciting and innovative ways in service to America's egg farmers. ●



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Anne L. Alonzo,
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Executive Committee



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Immediate Past Chairman
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Oskaloosa, IA



Anne L. Alonzo
President & CEO



“Shrimp Ramen Noodle Soup” shot for the Egg Nutrition Center’s recipe collection

Research & Promotion

Egg Nutrition Center



Through its best-in-class research program, the AEB's Egg Nutrition Center (ENC) increased what is known about the egg, propelling egg nutrition science in important new directions in partnership with universities and research institutions across the country.

The ENC invests \$1.5 million annually in research evaluating the role of eggs in a healthy diet, underpinning the AEB's communication efforts. The ENC's competitive grant program resulted in 14 new ENC-funded studies across primary strategic interest areas, including cardiometabolic health, healthy dietary patterns and eggs across the lifespan.



American Society for Nutrition

In 2019, an ENC-sponsored symposium made inroads advancing eggs as a first food at the 2019 American Society for Nutrition annual conference — the premier scientific conference for the nutrition research community.

Research highlighted that egg consumption during the complementary feeding period, when solid foods are first introduced to young children, can positively impact growth and may also support cognitive development. The presenters pointed to additional research opportunities, including how eggs can help improve nutrition in lower socio-economic populations.

Additional egg-related research presented at the American Society for Nutrition included:

- A pilot study on breakfast-in-the-classroom among 8th graders found the addition of two eggs per day increased participation by 57% compared to the traditional school breakfast program. The AEB supplied the eggs.

- Healthy subjects who consumed three eggs per day for four weeks, versus consumption of zero eggs, had significant increases in large HDL particles, or “good” cholesterol, plasma lutein, zeaxanthin and choline. The ENC partially supported this work.

Notable science from ENC-sponsored research

ENC-sponsored research led to several other notable scientific publications in 2019. Highlights included:

- Choline: The Underconsumed and Underappreciated Essential Nutrient*
- The paper's conclusion that “there is a need for improved public health recommendations for choline” was the consensus of more than 40 experts attending the 2018 Choline Science Summit. An unrestricted grant from Balchem, the ENC and the Beef Checkoff provided funding.

Young investigator award for early exploration

The following individuals were awarded ENC's Young Investigator Research Award for Early Exploration in 2019:

Megan Bragg, University of California, Davis, "*Serum choline concentration and child growth and development in Malawian children aged 6–15 months.*"

Corinne Cannavale, University of Illinois, "*Impact of whole egg consumption on chronic inflammation and hippocampal memory function and prefrontal cognitive control.*"

Joe Webb, Iowa State University, "*Does whole egg consumption modify neuroinflammation in the prefrontal cortex across the lifespan?*"

Whole egg consumption compared with yolk-free egg increases the cholesterol efflux capacity of high-density lipoproteins in overweight, postmenopausal women

- This recent randomized, controlled trial, sponsored by the ENC, found that consumption of two whole eggs each day over a period of four weeks not only increased levels of HDL, or "good" cholesterol, but also improved the function of HDL particles.

Egg consumption in U.S. infants & children is associated with greater daily nutrient intakes

- Based on National Health and Examination Survey 2001–2012 data, egg consumption in infants 6–24 months of age was linked to longer recumbent length compared to non-consumers (and not associated with body weight) and with better overall diet quality and consumption of key nutrients. Dietary/nutrition results in adolescents ages 2–18 years were similar.

Health professional outreach

Throughout the year, the ENC engaged Health Professionals (HPs), creating educational opportunities and enhancing the ENC's position as an authoritative source of science-based nutritional information.

Egg Enthusiast program

The ENC's Egg Enthusiast program — a community of credentialed HPs, including registered dietitians, personal trainers, culinary nutritionists, credentialed health and lifestyle bloggers, and maternal and child health professionals — continued to grow and spread up-to-date, fact-based information to help alleviate consumer confusion.

Being an Egg Enthusiast offers HPs the opportunity to receive the latest research, media-ready materials and access to exclusive events, as well as to be considered for partnerships. The program has proved incredibly popular, with nearly 550 HP members in 2019. The ENC regularly communicates with Egg Enthusiasts via a monthly newsletter, and, in 2019, the ENC launched the Egg Enthusiast Community page to highlight articles, social media, videos and recipes developed by Egg Enthusiasts.

In addition, the ENC hosted two exclusive, in-person events for Egg Enthusiasts — at the Today's Dietitian Spring Symposium in May and at the Food & Nutrition Conference & Expo (FNCE) in October.

Key conferences and targeted events

Participation in nutrition conferences, events and meetings allowed ENC personnel to directly connect with key HPs and partners.

- At an invitation-only event with top-tier dietitian media spokespeople and the Academy of Nutrition and Dietetics leadership, the ENC shared new research and insights about key nutrients in eggs that are important for

Contributions from the Egg Enthusiast program include (below) Country Breakfast Skillet, Andrea Mathis and (right) Egg Curry with Turnips, Shahzadi Devje





The AEB's Egg Nutrition Center worked with registered dietitians from the Egg Enthusiast program to create a series of shareable videos on topics such as "why nutrients in eggs are important for brain health" and "the role of eggs in a plant-forward diet."

neurocognitive health throughout different life stages. The presentation was adapted into an on-demand self-study module that will be shared more broadly with Academy of Nutrition and Dietetics members.

- At the Produce for Better Health conference, during a 75-minute educational session, Egg Enthusiast, registered dietitian and culinary nutrition expert Amy Myrdal Miller highlighted how eggs are a perfect pairing with vegetables.

At the Today's Dietitian Spring Symposium, the ENC engaged hundreds of HPs via:

- An educational lunch session covering important research and guidelines informing pregnancy and infant nutrition, as well as the nutritional advantages of including eggs in an infant's diet.
- An exclusive Egg Enthusiast dinner featuring an egg farmer from the AEB's board, who shared information about egg production with very engaged attendees.
- An exhibit booth where registered dietitian, Egg Enthusiast and Food Network blogger Dana Angelo White shared copies of her new cookbook.

At FNCE this year, the ENC engaged with thousands of key dietitians through:

- Two educational sessions featuring ENC staff by invitation from FNCE.
- An exclusive Egg Enthusiast culinary event that allowed HPs to cook with eggs in unique ways — highlighting egg and vegetable pairings — and drove social media engagement.
- An exhibit booth with engaging activities, including lutein eye testing (in partnership with Kemin).

Partnering with professional organizations

Throughout the year, the ENC collaborated with a number of key health and nutrition organizations, including the American Heart Association and the American Society for Nutrition.

The ENC also partnered with Today's Dietitian and two Egg Enthusiasts on a webinar series highlighting the egg's role in different eating patterns. One of the webinars was further developed into a live culinary workshop.

The ENC continued to educate retail RDs in partnership with the Retail Dietitians Business Alliance (11,000 grocery stores across North America) through a networking event at FNCE, webinar, mailing and two newsletter articles.

In addition, the ENC reached two new audiences — OB/GYNs and pediatricians — through a new partnership with Pulse Health and Wellness. A new eight-page educational handout from Pulse will be shared with 15,000 physicians to educate patients about nutrients in eggs that are important during pregnancy and early childhood.

Finally, the ENC developed three new educational handouts this year: "A Dozen Ways to Become an Eggspert," "Eggs for Maternal and Infant Health" and "Protein and Performance." ●



2019 ENC-funded published research

1. "Egg Consumption, Multi-Domain Cognitive Performance and Short-Term Cognitive Change in a Representative Sample of Older U.S. Adults." *Journal of the American College of Nutrition*
2. "Food Price Elasticity by Status of Participation in Federal Food Assistance Programs: A Laboratory-Based Grocery Store Study." *Current Developments in Nutrition*
3. "Habitual Breakfast Patterns Do Not Influence Appetite and Satiety Responses in Normal vs. High-Protein Breakfasts in Overweight Adolescent Girls." *Nutrients*
4. "Egg Consumption in U.S. Children is Associated with Greater Daily Nutrient Intakes, including Protein, Lutein + Zeaxanthin, Choline, α -Linolenic Acid, and Docosahexanoic Acid." *Nutrients*
5. "Dietary Whole Egg Reduces Body Weight Gain in a Dose-Dependent Manner in Zucker Diabetic Fatty Rats." *Journal of Nutrition*
6. "Whole Egg Consumption Impairs Insulin Sensitivity in a Rat Model of Obesity and Type 2 Diabetes." *Current Developments in Nutrition*
7. "Dietary Egg Protein Prevents Hyperhomocysteinemia via Upregulation of Hepatic Betaine-Homocysteine S-Methyltransferase Activity in Folate-Restricted Rats." *Journal of Nutrition*
8. "Whole egg consumption compared with yolk-free egg increases the cholesterol efflux capacity of high-density lipoproteins in overweight, postmenopausal women." *American Journal of Clinical Nutrition*
9. "Lutein Across the Lifespan: from Childhood Cognitive Performance to the Aging Eye and Brain." *Current Developments in Nutrition*
5. "No Association Between Consumption of Eggs with Energy or Macronutrient Intake: Objective Evidence from the Remote Food Photography Method." *Current Developments in Nutrition*
6. "Impact of 3 Eggs/Day on the Plasma Lipidome of Young, Healthy Adults." *Current Developments in Nutrition*
7. "Skin and Macular Carotenoids and their Implications for Cognitive Control and Achievement in Children." *Current Developments in Nutrition*
8. "Differences in Response to Egg Intake Result in Distinct Lipoprotein Profiles While Plasma Concentrations of Carotenoids and Choline Are Not Affected." *Current Developments in Nutrition*
9. "Effects of Eggs and Egg Components on Cognitive Performance, Glycemic Response and Subjective Appetite in Children Aged 9–14 Years." *Current Developments in Nutrition*
10. "The Effect of Replacing Carbohydrate-Based Breakfast Foods with Eggs on Cardiometabolic Risk Factors in Adults at Risk for Type 2 Diabetes." *Current Developments in Nutrition*
11. "Dietary Effects of Replacing Carbohydrate-Based Breakfast Foods with Eggs in Adults at Risk for Type 2 Diabetes." *Current Developments in Nutrition*
12. "Ounce Equivalent Protein Ingestion Does Not Result in Equivalent Responses of Protein Kinetics." *Current Developments in Nutrition*
13. "Daily Egg Consumption Does Not Alter Cardiometabolic Parameters in Children Living in a Food Insecure Environment: A Pilot Study." *Current Developments in Nutrition*
14. "Twelve Weeks of Egg Supplementation Does Not Alter Cardiometabolic Parameters in Food Insecure Adults." *Current Developments in Nutrition*
15. "Barriers to Consuming Dietary Protein and Cardiometabolic Risk Factors Among Low-Income and Homeless Adults." *Current Developments in Nutrition*

2019 conference presentations

1. "Prenatal Choline Supplementation Improves Child Color-Location Memory Task Performance at 7 Y of Age." *Current Developments in Nutrition*
2. "Egg Consumption and Multi-Domain Cognitive Function in a Representative Sample of Older U.S. Adults." *Current Developments in Nutrition*
3. "A Free, Egg-Based 'Breakfast in the Classroom' Program Improves School Breakfast Participation, Eating Habits and Cognitive Performance in Middle-School Adolescents." *Current Developments in Nutrition*
4. "A Laboratory-Based Grocery Store Study to Evaluate Food Price Elasticity by Status of Participation in Federal Food Assistance Programs." *Current Developments in Nutrition*
16. "Whole Egg Consumption in Zucker Diabetic Fatty Rats Display a Dose-Dependent Reduction in Weight Gain and Total Body Fat, Accompanied by an Increase in Lean Body Mass." *Current Developments in Nutrition*
17. "The Role of Protein Quality and Quantity in Promoting Fullness and Reducing Energy Intake." *Current Developments in Nutrition*
18. "Relationship Between Dietary Lutein and Cognition in an Older Adult Population." *Current Developments in Nutrition*

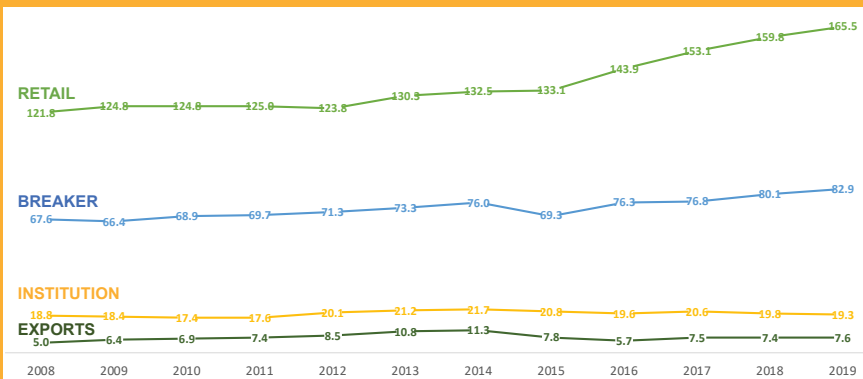
2019 per capita egg consumption

Year	Eggs per Person	% Change YA
2012	255.0	+2.8
2013	257.7	+1.1
2014	268.7	+4.3
2015	259.5	-3.4
2016	275.2	+6.1
2017	281.8	+2.4
2018	284.1	+0.8
2019 est	290.1	+2.1
2019 proj ^Δ	295.1	+1.7

Source: USDA WASDE #507-33 February 2020, dated Feb. 11, 2020

Δ Indicates change from previous month's WASDE report

Total eggs, 30 dozen cases in millions



Source: USDA AMS Livestock, Poultry & Grain Market News

The role of consumer marketing

Across the AEB, everyone shares the mission of increasing demand for eggs and egg products, but the Consumer Marketing Committee has primary responsibility for driving consumer demand across all retail channels in the U.S.

Total demand for eggs and egg products has reached the highest levels we've seen in 50 years — with 2019 per capita consumption estimated at 290.1 eggs per person.

The USDA estimates that retail represents 60% of total egg industry volume. Retail is not only the largest segment, it is also the fastest growing. In the last three years reported by the USDA, retail egg volume has outpaced the rest of the industry — an impressive accomplishment in an established category with approximately 94% household penetration.

The AEB also purchases Nielsen retail scanner data to monitor actual retail sales results and trends throughout the year. Retail sales volume is the best indicator of consumer

demand. In 2019, total dozens of shell eggs increased an additional +1.5% in equalized dozens (EQ) over the prior year — the seventh consecutive year of EQ growth.

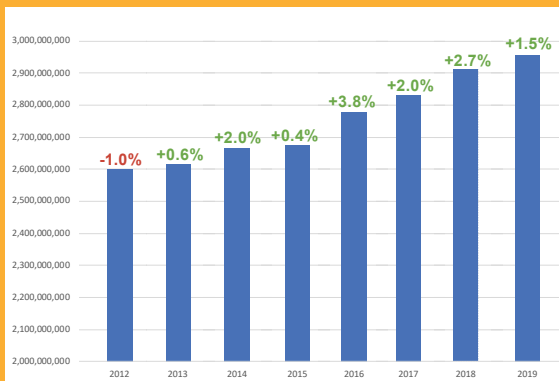
A closer look at retail volume patterns for shell eggs throughout 2019 reveals that most of the year-over-year gains were realized during traditionally softer times of year, consistent with the AEB's consumer marketing strategy and activation calendar.

A proven marketing strategy

Historically, the AEB's consumer marketing calendar focused on Easter holiday advertising. But beginning in 2017, the AEB's Consumer Marketing Committee began testing **year-round marketing** activations, shifting marketing dollars to additional programs during the year. This strategic approach, grounded in seasonal consumer insights and food solutions, has proven tremendously successful. The key to this approach is balancing between established equity and investment marketing efforts.

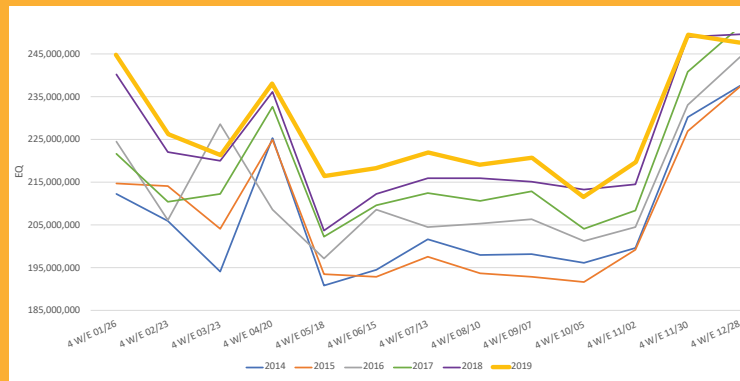
Shell eggs EQ at retail

Consecutive year-over-year EQ growth



Source: Nielsen Total US xAOC + ConvWeek, ending date 12/28/19

Shell egg seasonality EQ trends



Source: Nielsen Total US xAOC + Conv Latest 52 weeks ending date 12/28/19

Holidays: our established equity and top marketing priority

The Incredible Egg has tremendous equity during the holiday windows — with the first sharp, short spike of Easter, and then again at the end of the year during the extended winter holiday season beginning with Thanksgiving.

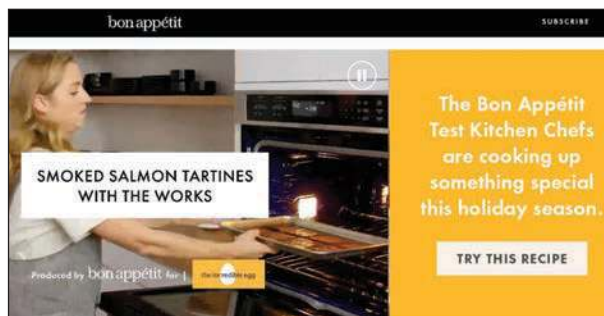
Easter

The Incredible Egg is *THE* authority at Easter. In 2019, we fielded more than three dozen pieces of new content — including recipes, decorating tips and more — designed to inspire consumers to use more eggs at Easter. This drove a 500% increase in Easter decorating page views online over the previous year, as well as our highest-ever Easter marketing reach and engagement results.

The AEB also leveraged its traditional sponsorship of the White House Easter Egg Roll (WHEER) for maximum consumer impact, filling the South Lawn with more than 74,000 real eggs, egg farmer families spanning multiple generations, egg characters, egg images and signage, and tens of thousands of consumers wearing eggs on their heads.

More than 30,000 consumers sampled our incredible product as hard-boiled EggPops. We also filled the South Lawn with memorable, photo-ready opportunities, generating a flood of consumer social posts and creating priceless consumer advocates.

For the first time, the First Lady's Commemorative Egg design was inspired by artwork submitted by AEB farm kids. As a result, the 2019 Commemorative Egg — a gift from egg farmers, by the children of egg farmers — was more relevant, resonant and mediable. In total, the AEB's WHEER program generated an astounding 184 million media impressions — a 52% increase over the previous year's record-breaking figure.



Winter Holidays

The Incredible Egg's cast of *How Do You Like Your Eggs?* holiday characters and recipes returned in 2019. And a top-tier media partnership with *Bon Appétit* put the Incredible Egg front and center for the winter holidays, with new recipes and custom creative video content developed by *Bon Appétit*'s editors.



Investing beyond the holidays to drive new growth

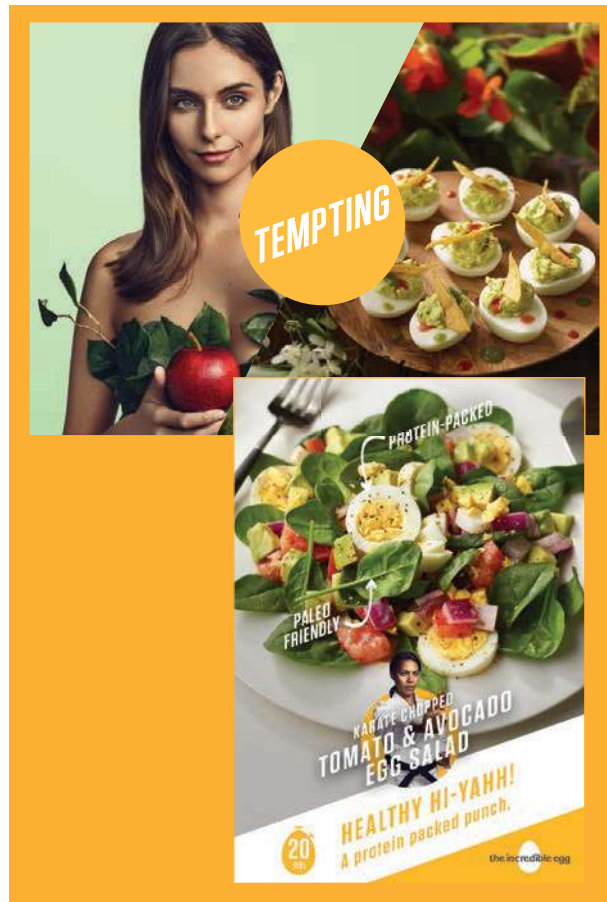
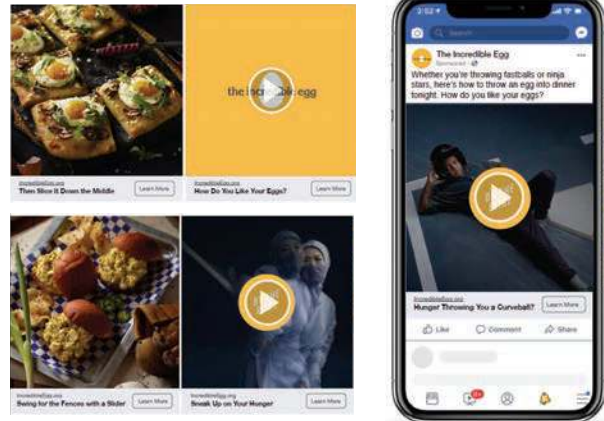
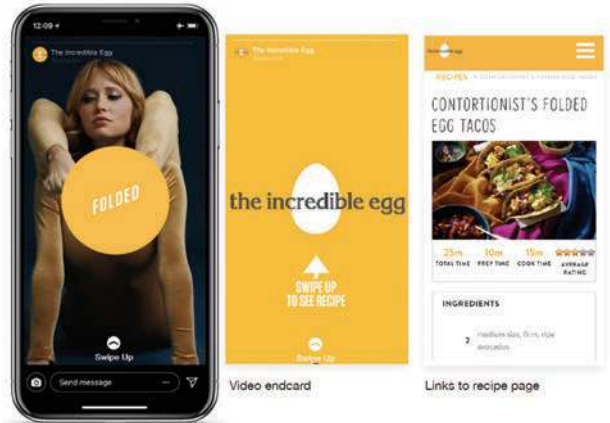
As critical as Easter and the winter holidays are to the egg industry, new growth needs to come from the rest of the calendar. In 2019, the AEB invested in two additional marketing programs.

New Year's Wellness

Next to holidays, the New Year is the egg's best marketing opportunity. It's the time of year when consumers make resolutions recommitting themselves to wellness in their diet and lifestyle. A nutritional powerhouse, The Incredible Egg is the perfect solution to start the new year off right.

In 2019, for the second year in a row, the AEB delivered a New Year's Wellness program featuring new *How Do You Like Your Eggs?* recipes and creative, and showcasing our Egg Nutrition Center experts on radio programs. And for the second year in a row, retail volume results during the New Year marketing campaign were significantly higher than normal January sales volume in previous years.

The AEB also partnered again with Avocados from Mexico. Like eggs, avocados are a better-for-you whole food with strong consumer appeal. The Incredible Egg joined avocados online in an interactive design-your-own-salad program, on college campuses with a sampling truck tour, and in store with a retail dietitian toolkit.



Dinner Eggs: Breaking out of breakfast

One of the greatest opportunities for increasing egg demand is to break out of breakfast and expand into new meal occasions. The most commonly prepared meal at home is dinner, and people are always looking for easy-to-make dinner ideas with family-friendly ingredients already on hand. Yet eggs are so ingrained as breakfast solutions, they become almost invisible at dinner time. Enter ... Dinner Eggs.

To reposition eggs in the minds of consumers as a dinner food candidate, and not simply as Breakfast for dinner, the AEB produced a mockumentary — a playful tongue-in-cheek twist on the traditional documentary — chronicling the “discovery” of a delightfully *new kind of egg* laid at night and taking the nation by storm (see storyboard to the right). The mockumentary release was accompanied by a fresh cast of *How Do You Like Your Eggs?* characters and recipes featuring egg-centric twists on popular dinner dishes.

Even with a small media buy, early results were outstanding. The mockumentary teaser performed at 62x benchmark for AEB video advertising, with even higher engagement — likes, comments and shares — than we saw with the previous year's successful Disney-Pixar *Incredibles 2* programming. Retail volume sales during the launch window were +4.5% over the previous year. And consumers who reported seeing Dinner Eggs advertising were twice as likely to include eggs at weekday dinners.

Storyboard from “Nightshifters” — the Dinner Eggs ‘mockumentary’ short film



TRACY: Tom got up in the middle of the night and he was gonna go check on the hens, not 20 minutes later he comes back in and says the hens are nesting and they're laying eggs.

TOM: That's how I discovered I had night shifters, night shift hens.



TRACY: Normally hens don't lay at night so I thought one-time thing right, this is never gonna happen again but the next night the same thing happened and the same thing happened after that.

TOM: This is the original barn.



TRACY: I had so many eggs because the hens kept producing and Tom said what's for dinner, and I said you know what's for dinner Tom - Dinner Eggs. Isn't that fun.

TOM: You can tell the difference between a dinner egg and a breakfast egg by the shape, that's a dinner egg; that's a breakfast egg. I can go slower if you want.



TRACY: We started to share with the neighbors and then they started to share and word got out and news spread and it just pshhhh!!



NEWS REPORT: As we leave you tonight an unbelievable story, dinner eggs—yes they are a thing and suddenly a national phenomenon.

TRACY: Hun, there's another talk show on the line.



GENE: When we first got dinner eggs in stock, people thought it was kind of a novelty, they walk past not give a second look. Six weeks later and I can't keep them in stock to save my life. These things are flying off the shelf, literally. It's pandemonium.



GENE: You don't have any dinner eggs anywhere? Ladies and gentlemen I apologize, we are completely sold out of dinner eggs for the day. Please check back tomorrow.



TOM: We are incredibly grateful to have nightshift chickens. Excuse me, the sun is setting and it's time for her to go to work.

Always driving demand, always building equity, capitalizing on opportunity

With a strategic plan that balances between maximizing established holiday equities and investing in new growth opportunities, the AEB's consumer marketing program has successfully deployed resources in a structured, intentional approach to increase frequency of consumption among the 94% of the population that already buys eggs. But we're always looking for additional novel ways to efficiently and economically keep The Incredible Egg top of mind with consumers.

To that end, in addition to planned activities, in 2019 the Incredible Egg also executed a highly effective series of nimble, opportunistic social media hijacks and prestige plays — breaking into buzzworthy moments and conversations, often unexpectedly, in order to drive awareness and seize a place in popular culture.

With this winning mix of campaigns designed to protect core equities and create new growth in whitespace marketing windows, while also mining unconventional and unplanned opportunities, The Incredible Egg was *always on* in 2019 — always driving demand, always building equity, never missing an opportunity to connect and influence.

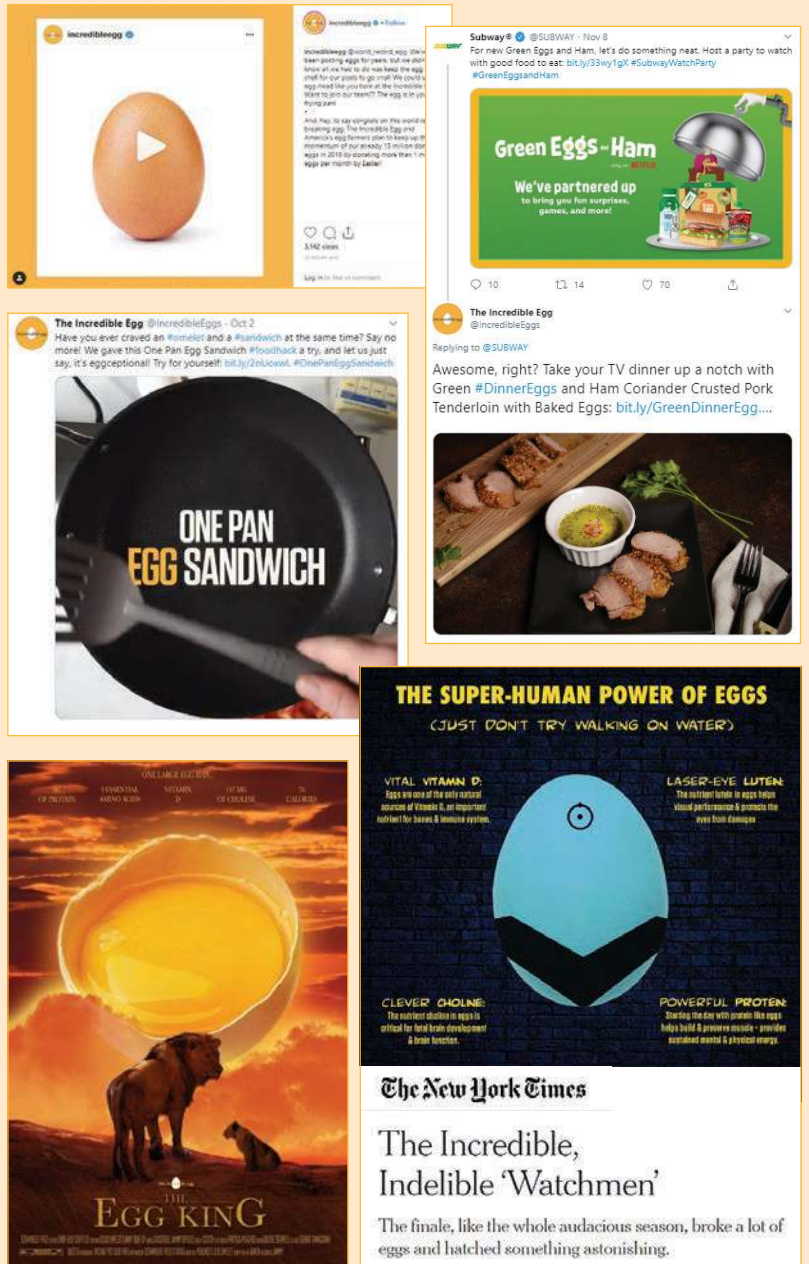
Tactical spotlight: Agile social media

In addition to an “always-on” social media calendar spanning Facebook, Twitter, Instagram, Pinterest and YouTube, coupled with seasonal campaign-specific social content, the AEB also maintains an “agility” or “opportunistic” social media program. Agile social entails appropriating a buzzworthy event or cultural phenomenon to call attention to eggs — *often where one would not expect to find eggs*. This highly effective consumer engagement tactic catches the AEB's target consumer off guard at a point in time when their attention is fixed.

Agile social may be planned or improvised — the AEB activates a mix — depending on the opportunity. The latter relies on sophisticated social listening/monitoring tools that enable identification of promising circumstances. In 2019, the AEB successfully deployed agile social executions against a broad swath of opportunities, including memes and viral trends like ‘one-pan’ recipe hacks, major motion picture releases like Disney's “Lion King,” television events like the season finale of HBO's “Watchmen” and Ellen DeGeneres’ “Green Eggs & Ham,” and the advent of the World Record Egg, which displaced Kylie Jenner for the most “likes” on Instagram in history.

In a similar vein, the AEB also carried out a series of social media Twitter “hijacks” for the launch of Dinner Eggs. Drawing from a set of pre-made, ready-to-go responses — copy, images and snackable video/GIFs — The Incredible Egg began appearing/commenting in consumers’ Twitter feeds, seemingly at random, when people tweeted about what to make for dinner. In addition to the “average” consumer, hijack targets included large brands, celebrities, influencers and publications.

Agile social deployments in 2019 outperformed benchmarks for key engagement metrics and delivered high returns on modest investments. Perhaps most importantly, these forays enabled The Incredible Egg to seamlessly insert itself and capitalize on popular culture moments where it might have otherwise not been relevant.





Foodservice

Increased consumption away from home, spurred by consumers' desire for more protein in their diets and flavorful menu items, drove this segment's growth. For a second year, the AEB's *Incredible Egg Trends* platform delivered relevant, insightful consumer and segment insights via engaging videos with award-winning chefs highlighting their Incredible Egg Trend for U.S. foodservice operators for all-day dining supporting consumers' menu demands.

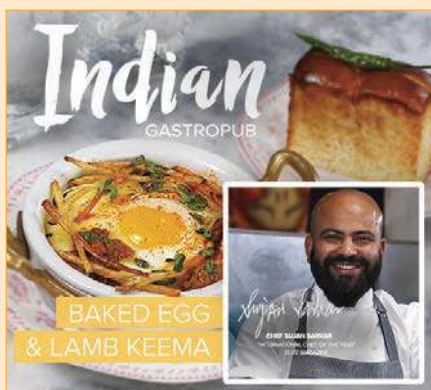
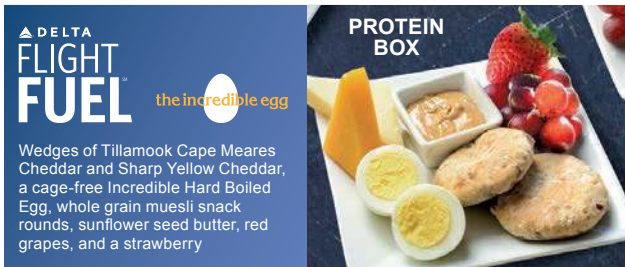
According to The NPD Group/CREST, total foodservice servings of eggs in 2019 exceeded 8 billion — a 2% increase. Egg servings at quick-service restaurants (QSR) accounted for 6 billion servings, affirming the AEB's continued focus in the area. Currently, QSRs represent 83% of all egg servings in commercial foodservice. National Accounts breakfast continued as the growth engine in foodservice, where all-day breakfast drove egg consumption, sales and profitability.

In 2019, the AEB continued to strengthen relationships with several top-10 QSRs through their strategic menu pipeline and development initiatives and promotional efforts. Additional opportunities, like those regarding new egg innovations and menu concepts, were explored via custom research and innovation sessions. The AEB continued promotional support with Delta Airlines' protein kit featuring a hard-boiled egg — with the AEB's Incredible Egg branding — on domestic flights longer than three hours, which resulted in 352 million impressions from Delta customers.

Made with REAL Eggs® certification seals

Testing and preliminary rollout of the AEB's Made with REAL Eggs® and REAL Eggs® ("REAL Eggs") certification seals continued in 2019. Following White Castle's successful 2018 pilot, in the first quarter of 2019, a second national chain, 7-Eleven, in a nationwide limited-time offer piloted REAL Eggs on its new Breakfast Gourmet Sandwiches. REAL Eggs seals were also introduced at the Institute of Food Technologists Annual Expo in June.

Importantly, proprietary research conducted by the AEB in 2019 validated REAL Eggs' effectiveness, confirming the seals positively impact purchase intent among consumers (80%) when used on foodservice marketing and merchandising materials. REAL Eggs also increased perceived product quality (82%) and taste (80%). *REAL Eggs seals are slated for formal launch in 2020.*





Egg product marketing

In 2019, egg education was amplified in the food manufacturing sector by working directly with six top-tier food companies in customizable on-site workshops. These events educated cross-functional teams with egg information, current trends and concepts showcasing the functional benefits of egg products that fit within each company's manufacturing capabilities.

Additional in-person educational sessions were conducted at the Institute of Food Technologists Annual Meeting &

Expo; International Baking Industries Expo; the Research Chefs Association (RCA) Innovative Immersion event; and during the American Institute of Baking's 16-week immersion course. *Snacks-pectations*, a webinar highlighting the benefits of egg ingredients in snack food applications, was shared with the RCA membership. These additional educational opportunities delivered egg functionality information to a broad base of food formulating professionals in tier two and tier three food companies.

The AEB also hosted its 21st Annual Food Technology Advisory Council Meeting with food-formulating professionals, representing six high-profile companies from various segments of the food industry. This council focuses on opportunities and challenges facing the egg industry today and in the future, as well as on how egg products can improve a company's new product development initiatives. *For a list of 2019 participants, see page 20.*

Colleges & Universities platform

The AEB's Eggin'Uon! colleges and universities (C&U) platform continued to engage students and foodservice organizations by developing menus and messaging that feature eggs. This year, the AEB participated in several C&U trade shows showcasing the support the AEB offers, spanning egg-based recipes, on-campus promotional materials, case histories and online content to help college foodservice programs tie in with students' adventuresome palettes. In April, the Eggin'Uon! website launched, connecting C&U foodservice operators with relevant tools and on-trend recipes needed for the implementation of successful all-day and flavorful egg menu platforms on campuses.

Eggs in Schools programming

Targeted at K-12 school nutrition programs, the AEB's Eggs In Schools (EIS) programming contributed to a 3.6% increase through foodservice distributors and an additional 9.5% increase in USDA purchases of eggs and egg products for the school year 2018–2019, resulting in more than 350 million egg servings in schools across the country.





SUCCESS STORIES



Crowing about School Breakfast leads to visit by Governor

The 2019–2020 school year is on track for additional growth, thanks in part to two new platforms rolled out in 2019: “Eat Better. Learn Better” and 5 Days/5 Ways®. Both highlight the nutritional benefits of eggs and innovative ways that 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 the target audience reinforced the AEB’s position as a provider of “real school meal solutions” among school foodservice decision-makers.

With schools expanding breakfast beyond the cafeteria to alternate venues, the increase in demand for vegetarian options, the rising popularity of brunch for lunch and a bevy of other trends, The Incredible Egg’s nutritional profile, versatility and affordability make it the perfect solution.

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 and National Agriculture in the Classroom. State promotional organizations and egg farmers also leveraged the AEB’s tradeshow materials at local School Nutrition Association conferences.

International

Training to expand and increase knowledge about the high quality of U.S. eggs and egg products was an important element of the 2019 international export program. The AEB worked with the U.S. Poultry and Egg Export Council (USAPEEC) and USDA on key training initiatives: Agricultural Market Service and Food Safety and Inspection Service to train chefs from India; Foreign Agricultural

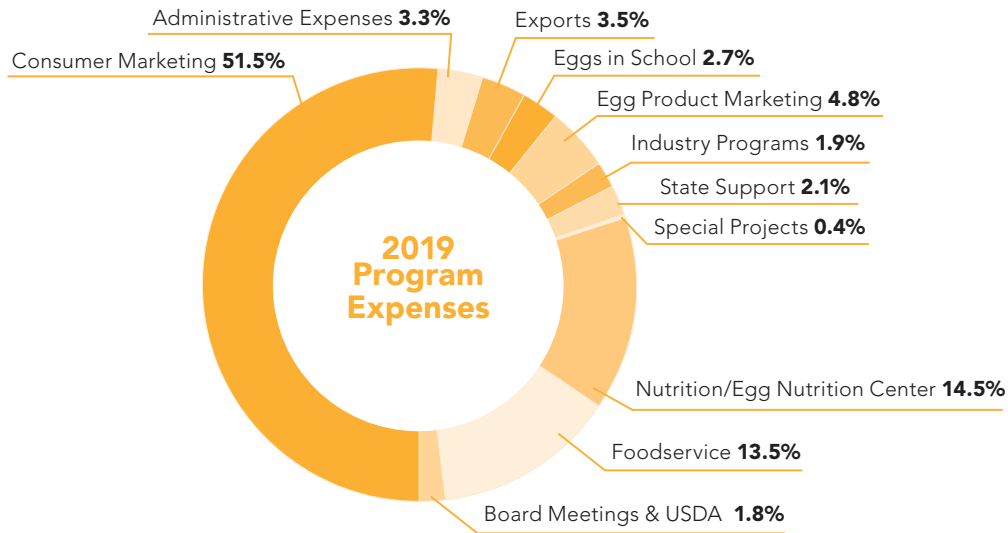
Service attachés to become U.S. egg ambassadors globally; and with traders to stimulate interest in exporting U.S. eggs and egg products.

Japan, Hong Kong, Mexico, South Korea, the Middle East and the Caribbean continued to be key target markets to promote the safety and reliability of high-quality U.S. eggs and egg products. A watchful eye was given to potential new markets such as India, Taiwan and South and Central America. Various promotional and educational activities directed at foodservice, manufacturing and retail generated new business connections, as well as interest in U.S. eggs and egg products.

AEB-funded efforts were amplified, as USAPEEC used Market Access Program funds administered by USDA and additional granted government funds through the Agricultural Trade Promotion Program to help develop new agricultural export markets and ease/mitigate the impact of tariffs placed on U.S. poultry and eggs.

In 2019, from January to September, the largest U.S. shell egg market, Hong Kong, imported 103.7 million dozens, a 20.2% increase in volume over the same period in 2018. Increased EU competition in Japan stymied growth in total U.S. egg product exports. Cumulative volume of U.S. egg product exports for the first three quarters of 2019 were 22,504 metric tons, down 6.4% versus 2018. Inroads were made by the U.S. egg industry to remove trade barriers and open opportunities for U.S. eggs in Mexico, Chile, Taiwan and Guatemala.

USDA projections show continual increases from 2020 through 2028 for U.S. egg exports. Free Trade Agreements on the horizon between the U.S. and Japan should bode well for future U.S. egg product exports to Japan, while the U.S.-Mexico-Canada Agreement (USMCA) could positively support future U.S. egg exports to Mexico and Canada. ●



Oversight of the AEB is carried out by the USDA Agricultural Marketing Service to ensure fiscal accountability and program integrity. The AEB’s annual budget and plans are approved by the USDA and AEB’s Board of Directors and implemented by AEB leadership and staff.

The goal for the approved 2019 budget was to deliver maximum return on U.S. egg farmers’ investments. The AEB’s total revenue was \$25 million, of which \$24.7 million came from assessment revenue. Total expenditures were \$29.2 million — \$1.4 million less than the board-approved budget of \$30.6 million. Promotion and research expenditures amounted to 94.9%, and administrative overhead, board meetings and USDA expenses amounted to 5.1%.

The certified public accounting firm of Plante Moran annual audit was in accordance with Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS). Financial statements were found to be free from material misstatements and the AEB was issued a clean opinion by Plante Moran.

Additionally, throughout 2019, the AEB worked diligently to provide financial stewardship and ensure that internal controls were in compliance with the Egg Act, Order and AEB By-Laws, as well as USDA Agricultural Marketing Service guidelines.



“Egg Crepe Cone” shot for the AEB’s *Incredible Egg Trends* series, “Plant-Forward” segment

STATEMENT OF FINANCIAL POSITION		2019	2018
Assets	Cash & Certificates of Deposit	\$6,977,922	\$11,546,056
	Assessments Receivable	2,947,040	3,213,592
	Other Receivables	27,310	174,631
	Prepaid Expenses	407,739	245,340
	Fixed Assets (net depreciation)	281,383	316,082
	Right-of-use Asset	1,878,846	2,077,097
	TOTAL ASSETS	\$12,520,240	\$17,572,798
Liabilities	Accounts Payable and Accrued Expenses	\$3,239,576	3,902,051
	Lease Liability	2,083,929	2,296,028
	TOTAL LIABILITIES	\$5,323,505	\$6,198,079
Board Equity	Contributed Capital	66,244	66,244
	Accumulated Excess of Revenue over Operating Expenses	7,130,491	11,308,475
	TOTAL BOARD EQUITY	\$7,196,735	\$11,374,719
	TOTAL LIABILITIES & BOARD EQUITY	\$12,520,240	\$17,572,798
STATEMENT OF ACTIVITIES		2019	2018
Revenue	Assessment Income	\$24,681,473	\$24,637,765
	Egg Farmers of Canada	74,350	77,946
	Interest Income	250,059	319,117
	TOTAL REVENUE	\$25,005,882	25,034,829
Program Expenses	Consumer Marketing		
	Consumer Marketing	15,024,967	14,528,302
	Industry Programs	540,417	942,010
	Material Distribution	-	245,926
	State Support	618,394	1,107,999
	Consumer Marketing Expense	16,183,778	16,824,237
	Market Development		
	Foodservice	3,948,252	2,370,906
	Eggs in Schools	783,486	827,100
	Exports	1,010,482	1,041,028
	Egg Product Marketing	1,413,225	1,883,040
	Market Development Expense	7,155,445	6,122,075
	Nutrition	4,238,929	3,982,377
Special Projects	116,664	188,227	
TOTAL PROGRAM EXPENSE	\$27,694,816	\$ 27,116,916	
Administrative Expenses	Administration	955,519	1,219,644
	Board Meetings	256,511	289,721
	USDA Administrative Expense	277,019	251,841
	TOTAL ADMINISTRATIVE EXPENSE	1,489,050	1,761,207
TOTAL EXPENSES	\$ 29,183,865	\$28,878,123	
EXCESS OF EXPENSES OVER REVENUES	(\$4,177,983)	(\$3,843,294)	

Area I – North Atlantic states

Members



Karyn Kreher
Kreher's Farm
Fresh Eggs
Clarence, NY



Chris Esbenshade
Esbenshade Farms
Mount Joy, PA



Andrew Reich
BJE Poultry
Kreamer, PA

Alternates



**Chairman of AEB's
Consumer Marketing
Committee**

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.
Flatonia, TX



Alex Simpson
Simpson's Eggs
Monroe, NC



Gijs Schimmel
Centurion Poultry, Inc.
Lexington, GA

Alternates



John C. Watson III
Braswell Family Farms
Nashville, NC



Evan Lathem
Lathem Family Farms, Inc.
Pendergrass, GA

Area III – East North Central states

Members



Steve Herbruck
Herbruck's Poultry
Ranch
Saranac, MI



Bob Gornichec
Weaver Brothers, Inc.
Versailles, OH

Alternates



Tim Vande Bunte
Konos, Inc.
Martin, MI



Jeff Cutler
Cooper Farms
Fort Recovery, OH



Ted Greidanus
Opal Foods, LLC
Neosho, MO

Area IV – West North Central states

Members



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



Mindy Truex
Creighton
Brothers, LLC
Atwood, IN



Ben Thompson
Pearl Valley Eggs
Pearl City, IL

Alternates



Andy Seger
Wabash Valley
Produce, Inc.
Dubois, IN



Jason Ramsdell
Dakota Layers, LLC
Flandreau, SD



Sean Delano
S&R Egg Farm, Inc.
Whitewater, WI

Area V – South Central states

Members



Steve George
Fremont Farms of IA
Malcom, IA



Brent Nelson
Nelson Poultry Farms
Manhattan, KS



Bruce Dooyema
Center Fresh Egg Farm
Sioux Center, IA

Alternates



**Chairman of AEB's
Market Development
Committee**

Blair Van Zetten
Oskaloosa Food
Products
Oskaloosa, IA



Ross Dean
Versova
Des Moines, IA



Terry L. Baker
Michael Foods, Inc.
Wakefield, NE

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



**Chairman of AEB's
Nutrition Committee**

David Elbel
Feather Crest Farms
Bryan, TX



“Pear, Spinach and Egg Flatbread” shot for the Egg Nutrition Center’s recipe collection

AEB advisors



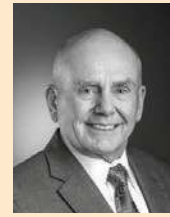
Craig Shackelford
USDA Program Specialist
 USDA AMS Livestock
 and Poultry Program



Steve Walcott
*Allied Industry
 Advisor*
 Big Dutchman USA



Jim Sumner
Export Marketing Advisor
 USA Poultry &
 Egg Export Council



Howard Magwire
*Further Processor
 Advisor*

2019 food technology advisory panel

Anna Bauer
 Senior Scientist, Conagra Brands, Chicago, IL

Melissa Bonorden
 Research Scientist, Hormel Foods, Austin, MN

Shawn Busse
 R&D Director, Kellogg Co., Battle Creek, MI

Bob Garrison
 Chief Editor, Prepared Foods, Plymouth, IN

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

Kathy Klingensmith
 Senior Culinary Innovation Manager, Kroger Company,
 Cincinnati, OH

Kevin Keener
 Professor, Iowa State University, Ames, IA

Don Moss
 Principal Development Scientist, Conagra Brands, Omaha, NE

Anna Mauloff
 Brand Manager, Tyson Foods, Inc., Chicago, IL

Allison Nowak
 Senior Scientist White Spaces & Sprint Commercialization,
 The Kraft-Heinz Company, Glenview, IL

Sharon Olson
 Executive Director, Y-Pulse, Chicago, IL

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

Jill Stewart
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 Chicago, IL

Leah Vanwoerkom
 Senior Brand Manager, Kroger Company, Cincinnati, OH

Blair Van Zetten
 President, Oskaloosa Food Products Corp., Oskaloosa, IA

Don Walsh
 Culinary Innovation, Jimmy Dean Brands, Tyson Foods, Inc.,
 Chicago, IL

LuAnn Williams
 Director of Innovation, Innova Market Insights, Arnhem – The
 Netherlands



“The Bunnies’ Tres Leches
 Cakes” shot for the AEB’s
*How Do You Like Your
 Eggs?* campaign, Easter



"Diver's Below the Sea Salmon with Egg"
shot for the AEB's *Dinner Eggs* campaign

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