

# Virginia Department of Agriculture and Consumer Services

## Virginia Egg Board

### Annual Report

July 1, 2019- June 30, 2020

#### I. Narrative

The Virginia Egg Board is one of the sixteen commodity boards within the Virginia Department of Agriculture and Consumer Service (VDACS). Members of the Virginia Egg Board are appointed by the Governor to serve a term concurrent with the term of the Governor. The Virginia Egg Board consists of seven members: Keith Sheets, Chairman of the Board, Ellen Baber, Treasurer, Rodney Wagner, Paul Ruszler Ph.D., Ken Risser, Hobey Bauhan and Lake Wagner. Cecilia Glembocki of the Virginia Egg Council serves as the secretary of the Virginia Egg Board. A contract is in place between the Virginia Egg Council and the Virginia Egg Board to enable the Council to conduct educational/promotional programs, oversee research at VA Tech, advertise and conduct programs that support egg producers in their marketing/promotional efforts on behalf of the Board. The Virginia Egg Board and the Virginia Egg Council contract is renewed every five years and the next renewal will be in 2024. The Virginia Egg Council provides consumers, educators, health agencies, food service-based operators and egg producers with the most up to date science-based information on the nutritional contributions of eggs in the American diet. The Council promotes eggs as healthful, convenient, safe and an affordable contributor to a varied and nutritional diet. The Virginia Egg Council educates, promotes, and advertises with these specific facts. There were 716,000,000 eggs produced in Virginia ranking 29 th. In the country.

As of July 1994, the Virginia Egg Excise tax was amended to include processed eggs and changed the handler to be the one who sells eggs or egg products before retail, use or consumption. Directives have been sent to all egg handlers. Eggs are taxed at a rate of \$.05 per 30 dozen case and \$.11 per liquid equivalent. The egg handler is registered once at the time of registration and payments are made monthly to the VA Department of Taxation. The Virginia Egg Council's Executive Director, Cecilia Glembocki is a duly authorized agent and therefore can monitor worksheets, report the volume of shell eggs and processed egg product sales. In July of 2015, the Egg Excise Tax forms were revised to make producers and egg handlers more aware of the 500-egg case exemption. The revenues are collected by the Virginia Department of Taxation, transferred to the VA Department of Agriculture, and then transferred to the Virginia Egg Council each month as per the contract. New contract will be renewed in 2024.

There are 74 egg handlers registered to pay the Egg Excise tax in the Commonwealth compared to 79 in 2017-2018 yet yielding a greater increase in the revenues.

## II. Board Funded Projects

### Highlights for Fiscal year 2019-2020

- **Programming Plans:** The Virginia Egg Council planned various programs and the following were cancelled due to Covid-19: TV and Radio segments; promotional exhibits at the School Food Nutrition Conference, Nurse Practitioners' Conference, and VDACS Food and Business Fair; The White House Easter Egg Roll, the Les Dames Escoffier Conference, the American Association of Family and Consumer Science Annual Conference (it went virtual, with Mary Rapoport's virtual egg presentation having 169 participants); all local fairs; the State Fair of Virginia; Virginia Egg Council Recipe Contest; Virginia Family and Consumer Sciences Annual Meeting; AEB Board meeting in Florida, FCCLA(Family, Career and Community Leaders of America); Virginia Poultry Federation Youth Day; Although many programs were cancelled the VEC pivoted to virtual programming successfully, with many virtual meetings, a virtual educational program for Family and Consumer Sciences students and fourteen Zoom TV segments from March thru June.
- **AEB 's cooperative funds were awarded to the** Virginia Egg Council are based upon 70% population 30% hen figures. A total of \$20,107.09 was received for FY 2019-2020  
*\$7,597.09 was received for FY 2019-2020 July to December*  
 Programs were: WTVR TV; Washington CO Fair; WHSVTV; Agriculture in the classroom; Virginia Academy of Physicians Assistants.  
*\$6,198 was awarded for FY 2020 Jan to June.*  
 Programs were: Incredible Egg Chef Challenge – a virtual learning program for Family and Consumer Sciences students; AFFCS Annual Virtual meeting egg presentation; *Thanks A Dozen* lunches for the front line health care workers and professionals at the Medical College of Virginia and The Fairfax Co. Health Department, for their efforts during the Covid-19 pandemic.

## IV. Summary of Programs 90 programs for FY 2018-2019

Summary of Programs	103 programs for FY 2019-2020		
Educational Programing	33 programs	5,924 educators	\$398.48
Exhibits- school Food Nutrition cancelled		250 attendee possible	\$632.38
Extension	1		\$23.20
Food Service	2	500	\$554.54
		Industry Producer support	\$250.45
Skilled services accountant auditor			\$7,200
Computer purchase			\$1,476.26
Meetings	11		\$950.34
Newsprint	3	Tidewater-Norfolk area	\$00.00
Public Relations	2	264 health care professions.	\$5,475.13
Industry Support	3		\$245
Producer support	4		\$1,370.21
Television Segments	55 segments	236minutes 824,096viewers	\$4,417.125

## III. Year End Funding Level

Cash Balance 7/1/2019:	\$37,995.11
Revenue	\$207,801.87
Revenue (Interest)	\$441.72
Expenditures:	<u>\$207,304.10</u>
Cash Balance 6/30/2020:	<u>\$38,934.60</u>

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#### **IV. Attendance November**

Virginia Egg Board members present:

Keith Sheets	Ellen Baber	Hobey Bauhan	Paul
Ruszler Ph.D.	Lake Wagner	Ken Risser	
Not present:	Rodney Wagner		

#### **V. Summary:**

The Virginia Egg Board contracts with the Virginia Egg Council to conduct educational and promotional programs, oversees research at VA Tech in animal husbandry, promotes the sale of shell eggs and egg products, advertises and conducts programs that support the producer's promotional efforts. The mission statement for the Virginia Egg Board is to build a demand for more eggs. The next contract will be renewed in 2024.

Guidance for educational programming comes from the American Egg Board and the creative staff of the Virginia Egg Council.

USDA has reapportioned the geographic areas for the selection of producers for the AEB Board of Director from 6 areas to three area. Virginia is now considered part of the North Atlantic region that includes Connecticut, Delaware, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia. Six board members will be selected to represent this region.

The USDA found that due to consolidation in the industry, it has been difficult for eligible nominating organizations to identify a sufficient number of qualified nominees in each of the current 6 geographic areas. The Board determined that adjusting the composition of each geographic area by reducing the number of geographic areas from 6 to 3 will result in the proportionate representation of each geographic area and create the pool of potential nominees in each area. The Board determined that these changes will better represent the distribution of egg production and enable eligible nominating organizations to identify potential nominees more easily.

The Virginia Egg Council is a nominating organization and Lake Wagner, a Virginia egg producer, is an alternate to the Board of the American Egg Board. He will be re-nominated by the Virginia Egg Council.

The American Egg Board has seen a new promotional effort with the new CEO at the American Egg Board. They are exploring new markets for our producers, new program ideas and a change in advertising and public relations agencies has seen a change in program direction and focus.

The per capita consumption of eggs from consumers has increased 20% over the past 20 years. The current projection for 2020 per capital consumption will be 289.9 whereas in 2019 it was 289.5 and in 2018 it was 284.

The top egg producing states are Iowa, Ohio, Indiana, and Pennsylvania. Virginia has only one egg producer within the Commonwealth and ranks 29<sup>th</sup> in the nation.

The American Egg Board conducts an independent study to determine the return on investment for the assessment paid by producers for its consumer marketing efforts. The most recent ROI study determined a return of more than \$9.04 for every \$1 invested by American egg farmers- a continuation of steadily increasing ROI over the years.

Research studies were supported across the county at top level colleges and universities leveraging a Scientific Advisory Panel to ensure quality science without industry bias. They communicated the findings to health and nutrition experts. Eggs are now positioned as a brain food, a first food for infants and a growth agent for at-risk kids.

The Virginia Egg Council carefully monitors all programming, strategies, and research results from the American Egg Board. Programs are adapted for the Commonwealth of Virginia, often developing programs using AEB speakers, displays and educational literature at professional health related events.

AEB's new campaign How Do You Like Your EGGS and Weggnesday were campaigns that placed eggs to be the top of mind for consumers,

Virginia Egg Council connected with health professions in various areas: VA Academy of Nutrition and Dietetics, Nurse Practitioners, and the VA Academy of Physicians' Assistants. These connections created educate-the-educator opportunities. This type of programming enhanced the Virginia Egg Council's impression and we used the Egg Nutrition Center position as a credible source of science-based nutrition information.

### **Concerns for the Egg Industry**

The Egg industry has experienced a greater the demand for eggs in the past 6 years and that marks a 50 year high in the annual consumption of eggs.

It has been an exciting time for the egg industry even before the Covid-19 virus consumed our activities and lives. Even in the hardest times, eggs still remain an all-time high as more households are cooking and eating eggs as a comfort food.

The American Egg Board developed a strategic plan that we as a state affiliate will follow as well. As an industry, the promotional plans are to be *results orientated*, we are *data driven* and want to *create a greater demand* for eggs and egg products. We need to be *visionary* and be able to pivot from our normal ways of presenting food to our families. We must be adjustable and flexible in our programing, especially during this Covid-19 time, while constantly looking beyond, to a time when the country and world gets back to normal.

We must be *entrepreneurial* in our messaging and think of ways to bring more eggs to families during this pandemic. Our mission is to create a sustainable demand for eggs and egg products.

Studies reveal that 94% of households have eggs in their homes. It is new world with new messages to deliver to consumers. We had the greatest news when the new U.S. Dietary Guidelines for Americans were released. They reinforced key messages, with eggs being the perfect first food for infants, toddlers, and children because of their choline impact on their young lives.

We must continue to translate these messages to consumers, so they realize the health benefits of eggs throughout their life span.

The main concern for the egg farmer is that hens must be raised in cage free housing by 2026 all across the country. At this time only 23% of the eggshell market is cage free and organic.

Egg farmers are adapting with evolving consumer preferences for eggs. Most recently, hen housing has been a hot topic of conversation across the industry and amongst consumer groups. Currently, there are three prevailing options: Conventional Housing - 282 million hens; Cage Free Housing - 43 million hens; Organic Housing (access to outdoors) - 16 million hens.

Recently there has been a large shift in demand related to farming practices. These changes are reflected across the United States in different ways depending on the state.

It is the hope of producers that we can continue to evolve as an industry and make changes in a responsible way. American egg farmers are committed to producing fresh, high-quality eggs and are dedicated to the health and well-being of their hens. Today's hens are living longer due to better health, better nutrition, and better living environments. Additionally, U.S. egg production has significantly decreased its environmental footprint in the past 50 years. Most importantly, egg farmers believe in consumer choice and work hard to provide the highest-quality eggs, no matter what kind of eggs you choose.