AMERICAN EGG BOARD

2017 STRATEGIC PLAN

incredible!

American Egg Board
A new day is dawning for the American Egg Board (AEB) as it refocuses its resources and the industry on the opportunities with the most upside potential to achieve its mission of increasing demand for U.S. eggs and egg products.

A Transition Taskforce of AEB’s producer leaders and both AEB management and staff thoroughly analyzed the industry’s situation; sought external and internal input; confirmed the importance of AEB’s mission and developed this strategic plan that establishes clear priorities to accomplish it. This mission is more important today than ever to recover the market share erosion caused by decreased supply and higher prices resulting from the recent AI epidemic, followed by subsequent low prices the industry now faces as production increased rapidly during the AI recovery.

AEB’s leadership has also recommitted to the importance of its role as the egg industry’s marketing organization, utilizing its core competencies of research, education and promotion through this strategic planning initiative.

To accomplish its goals: AEB will adopt an entrepreneurial approach to all of its endeavors. It will seek partnerships, where appropriate, to extend its budget and reach. AEB will also develop a sense of urgency to deliver growth in egg sales and return on investment to the industry. Finally, AEB will embrace a culture of total team collaboration to maximize implementation of its new overarching strategies and lay the foundation for sharing of information and learnings across departmental and committee boundaries.

To deliver on its mission of increasing demand AEB will focus its resources on these most impactful overarching strategies:

1. **Drive growth through Foodservice, Egg Product, Export Marketing and Schools.**

2. **Elevate consumer awareness of the positive role of eggs in an Active and Healthy Lifestyle.**

3. **Increase consumer demand through targeted Media and Public Relations Campaigns.**
1. Drive growth through Foodservice, Egg Product, Export Marketing and Schools.

Foodservice

Foodservice continues to deliver double-digit growth in egg volume. AEB will position itself as the “Breakfast Expert,” delivering critical business information, innovation and promotion programs to major restaurant chain partners, designed to increase egg servings and propel demand for eggs and egg products.

Egg Products

Continue to target food manufacturing and formulation professionals with information on egg functionality, clean label appeal and nutrition profile to increase the use of REAL eggs and egg products by food companies. AEB will seek innovations to egg packaging that advance the purchase of eggs and the rapidly growing hard-boiled egg and snack categories.

Exports

Growth in egg sales in the U.S. marketplace is incremental. While some potential remains, the U.S. market for eggs is highly saturated, with significant competition at breakfast. The greatest opportunities for growth are to find new customers and open new markets; those opportunities best exist outside the U.S.

The U.S. egg industry has not been export-oriented. At its peak U.S. egg exports were only 5 percent of total production. With the turbulence in supply and price afflicted by the recent AI epidemic, exports decreased to 3.5 percent of total production in 2015. Clearly, exports must play a key role to achieve growth in demand.

Expanding U.S. egg and egg product exports will be accomplished by increasing volume in the foreign markets that are the industry’s current top customers and by pursuing key target customers in new markets with the characteristics to be significant egg and egg product purchasers.

To accomplish this strategy, AEB will develop a U.S. Egg Export Plan to increase U.S. egg exports, invest significant resources to implement the plan and engage USAPEEC, and/or other in-country reps, as core partners to execute the plan utilizing their in-country assets and market analysis expertise. AEB has an extensive toolkit of learnings and best practices acquired from its work with Quick-Service Restaurants (QSRs) and other foodservice entities in the U.S. Transferring this knowledge and experience to export markets by training foreign staff and partnering with foreign customers to utilize AEB’s toolkit and leverage the Incredible Egg marketing is key to advancing AEB’s export market successes.

AEB will also engage the industry to participate in its core export initiatives, including meeting with potential customers in foreign markets and demonstrating the superiority of U.S. eggs and egg products to fulfill their needs. Additional funding to expand the reach of AEB’s export programs will be pursued from aligned industries, such as soybean and corn, and USDA’s Foreign Agricultural Service export program funds.
1. Drive growth through Foodservice, Egg Product, Export Marketing and Schools. (Cont.)

Develop the next generation of egg consumers

Schools serve two meals per day to many students and often provide supplemental food and beverages during or after school. Ensuring eggs are served often in schools’ meals will enhance current demand and ingrain egg consumption in the next generation as they form their meal preferences.

AEB recognizes the importance of this segment, not just the need to create more demand, but to promote the importance of eggs and child nutrition. An important deliverable is for AEB to provide support that complements the school nutrition program, especially the nutritional importance of eggs in school meals.

To achieve these objectives, AEB will engage and develop partnerships with entities and platforms that can help make an impact in school nutrition relative to all children, but specifically K-12, and at all dayparts including breakfast, lunch and after-school programs. Directionally, AEB will increase its focus on large urban districts, as these schools may have a greater need for the high-quality protein and essential nutrients that eggs provide.

Pilot Programs

To achieve this goal, AEB will partner with select state egg organizations to implement pilot programs in targeted states. AEB will develop the plan and provide funding for states to manage the program locally, capitalizing on their in-state stature and relationships. These programs will target key decision-makers in the school meal purchasing and distribution channels to deliver compelling nutrition information and menu ideas that will place more eggs in school meals.
2. Elevate consumer awareness of the positive role of eggs in an Active and Healthy Lifestyle.

**Nutrition**

Eggs are an all-natural nutrition powerhouse, with no artificial ingredients, which is increasingly important to Americans searching for real, simple and less processed foods. Through the Egg Nutrition Center (ENC), AEB will continue to advance the understanding of the nutritional value of eggs and egg-related nutrients and the role of eggs in a healthy diet by funding best-in-class research in key strategic areas, including cardio metabolic health, protein, nutrient density and eggs as part of a healthy lifestyle. AEB will utilize these research results to guide and inform its marketing programs with messages that positively impact consumer’s attitudes about the nutritional importance of eggs.

**Fitness**

An estimated 41 million American children play competitive youth sports, a number that has risen significantly over the last 10 to 20 years. Almost half of adults over the age of 18 participate in regular physical activity. Eggs contain high-quality protein, as well as 13 essential vitamins and minerals, a natural fit with sports and fitness enthusiasts who need protein and other nutrients to fuel their active lifestyle. Positioning eggs within the sports and fitness framework due to their protein-nutrient package, as well as portability and versatility, extends the positive nutrition messaging to a new demographic.
3. Increase consumer demand through targeted Media and Public Relations Campaigns.

**Multicultural**

17 percent of the US population today is Hispanic; it is projected Hispanics will be 25 percent of the U.S. population by 2060. As a result of the rapid growth rate of this group, it is estimated Hispanics will account for 50 percent of all U.S. population growth by 2020. This important cohort has $1.5 trillion in purchasing power, which has increased by 22 percent in the past five years and continues to grow. U.S. Hispanics' wealth places them as the 16th largest economy in the world today, surpassing Mexico.

In addition to the size, wealth and growth of the U.S. Hispanic population, they are young with more runway to spend in the future as these young consumers form new families. Every 30 seconds a U.S. Hispanic turns 18-years-old, while two non-Hispanics hit retirement age. Culturally, Hispanics place a great importance on family meals and cooking as core traditions and include eggs more frequently in their meals than any other ethnic group.

These multicultural consumers are among most important egg consumers of the future. It is imperative AEB focus on multiculturals, commencing with the growing Hispanic group, with precise marketing messages to ensure they remain loyal egg consumers.

**Millenials**

The Millennial generation is the largest in U.S. history, even larger than the Baby Boomer generation; they are about one-fourth of the U.S. population and have $2.5 trillion in purchasing power. They are the best-educated cohort of young adults in U.S. history and care more about where their food comes from and their wellness than any previous generation. They exercise more, eat better and smoke less than previous generations. Their commitment to an active lifestyle influences most of their decisions — from what they eat to what they wear. They are the first generation of digital natives utilizing technology and social media to make most purchasing decisions. AEB must connect with Millennials to educate them about eggs’ nutritional benefits, clean label attributes and protein to fuel their healthy and active lifestyle.

**Good Egg Project**

Launched in 2009 to educate consumers about where eggs come from and to encourage people to pledge to “Eat Good. Do Good Everyday,” the Good Egg Project’s history of philanthropy and egg nutrition education has been a huge success. To build on this heritage, position eggs as the important nutrition and energy breakfast food and create goodwill for the U.S. Egg Industry, AEB will mobilize to serve breakfast at significant disaster sites to provide much needed relief to victims and fuel to relief workers. AEB will tactfully find ways to publicize these initiatives to capture the goodwill from these efforts and reinforce egg’s nutritional attributes.

**Easter Campaign**

Without question Easter is the egg holiday. Building on past successes, AEB will once again design and implement a significant campaign to position eggs as central to Easter celebrations stimulating egg usage during the most important egg holiday of the year.

**World Egg Day/National Egg Day**

World Egg/National Egg Days, as well as their respective weeks, are unique opportunities to raise awareness of the benefits of eggs and their important role in life, and is celebrated all around the world. AEB will utilize both to create week-long publicity and initiatives to promote eggs and engage partners to enhance the reach and scale of the celebration.