Dear U.S. Egg Producer / Exporter,

As we close out a productive year for the AEB egg export program, we thought it helpful to summarize several of 2019’s export advances including highlights of our work with valued export partner USAPEEC and other partners; an update on the current state of U.S. egg exports; share key egg market successes and a look at 2020.

Big picture—on the broader trade policy front—we are especially encouraged by several recent monumental advances that will undoubtedly work to our benefit including this week’s passage by the U.S. House of Representatives of the US Mexico Canada Trade Agreement (USMCA), now being moved to the U.S. Senate.

Specifically, as to eggs, we’ve seen recent openings in several countries (discussed herein) which will provide future egg export opportunities.

A special word of gratitude to AEB’s SVP Market Development, John Howeth, as he retires at the end of this year. John was an architect and proactive champion of our exports program. And a hearty kudos to Susan Weller, our exports specialist, who continues on into 2020, to daily passionately and effectively drive egg exports.

**Highlights: Teaming Up for U.S. Egg Exports—USAPEEC Partnership**
• **Training.** This past year, AEB, with our valued partner, the U.S. Poultry & Egg Export Council (USAPEEC), organized some impactful and first-of-its-kind training with the support of USDA’s Agricultural Trade Marketing Service (AMS) and the Food Safety and Inspection Service (FSIS) to increase knowledge about the high quality of U.S. egg and egg products. We trained three distinct groups: a) Celebrity chefs from India b) USDA Foreign Agricultural Service (FAS) Attachés assembled in Washington, D.C. and c) Traders.

• **Market Access Program (MAP) and Foreign Market Development Program.** AEB-funded efforts were amplified, as USAPEEC used Market Access Program (MAP) and Foreign Market Development (FMD) government funds and specially granted Agricultural Trade Promotion Program (ATP) funds to help develop new agricultural export markets and ease/mitigate the impact of tariffs placed on U.S. poultry and eggs. New market research funded by other commodity boards helped look at the markets of India, South America, the Caribbean and Taiwan in 2019.

• **Industry teamwork.** Teamwork enabled the removal and resolution of trade barriers and opening opportunities for U.S. eggs and egg products. For example, in August 2019, a potential trade barrier in Mexico’s NOM 159 regulation (a “no egg washing allowed” clause) was eliminated. Additionally, industry efforts further opened up the markets of Chile, Guatemala, Morocco, South Africa, Taiwan and Tunisia for U.S. eggs and egg products.

**State of Overall Egg Export Statistics**

From January to October 2019, AEB’s table egg target markets (Hong Kong, Mexico, Caribbean, Middle East, Japan and Korea) imported 123.2 million dozen — an increase in volume of 39% from the same period in 2018. Despite social unrest in Hong Kong, the top U.S. shell egg market, table egg exports to Hong Kong grew 14% in 2019 (Jan-Oct 2019) from 2018, to 44.9 million dozen eggs. Mexico also fared well, with U.S. shell eggs to Mexico growing 330% in 2019 (Jan-Oct 20019). Interestingly, Japan saw an increase in the dozens of U.S. shell eggs from 183 dozen to 110,320 dozen.
However, increased EU competition in Japan (our largest U.S. egg products market) blocked growth in total U.S. egg product exports to the world. Cumulative volume of U.S. egg product exports from January to October of 2019 were 16,190 metric tons, down 5% versus 2018. However, two of AEB’s target markets showed positive growth during the same period (Jan-October 2019): Mexico exports of U.S. egg products grew 34% while the Caribbean saw an uptick of 25% in U.S. egg products to the islands.

**Key Egg Target Markets – Positive Egg Developments & Success**

Japan, Hong Kong, Mexico, South Korea, the Middle East and the Caribbean remained 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, South and Central America and Taiwan. Various promotional and educational activities directed at foodservice, manufacturing and retail sectors generated new business connections and trade leads, as well as successful trials and launches of U.S. egg and egg products.

Some of the global wins for U.S. eggs and egg products include:

- **The Caribbean & Latin America** – Over US$325,600 in egg and egg product purchases resulted from AEB’s Miami Reverse Trade Mission (RTM) held in September of 2019 and increased positive learnings from the event. Watch the video [HERE](#). The Caribbean saw a positive uptick in U.S. egg product exports of 25% in 2019 (Jan-Oct 2019).

- **Japan** – An egg bakery chef contest in Japan led to new bakery item launches using U.S. eggs as an ingredient, including “Tea Apricot Bloom” and two kinds of breads, with promotions in 2020 to soon follow. In December 2019, Japan reduced zone restrictions on U.S. eggs from state level to county level providing terms allowing for additional trade opportunities for U.S. egg products in case of HPAI in the U.S.

- **Mexico** – The 2018 Mexican RTM came full-circle in 2019 as a top-tier Mexican bakery became an importer of U.S. egg products. They also launched new bakery items in their stores, made with U.S. egg products, including a Christmas Cake promotion. Work in the processing sector helped train the largest multinational meat
processing company and importer in Mexico to sell and promote U.S. eggs and egg products as an ingredient. Additionally, a large manufacturer, through their ready-to-eat line plans to launch egg patty sandwiches with U.S. eggs. These egg projects helped U.S. shell eggs to Mexico grow 330% in 2019 (Jan-Oct 2019), while U.S. egg products expanded by 34% in 2019 (Jan-Oct 2019).

- **South Korea** – Brunch menu work in Korea increased knowledge about the functionality of U.S. egg products with more than 75% of 330 participants willing to test and try U.S. egg products on their future brunch menus.

- **Hong Kong** – Despite social unrest in the U.S.' top shell egg market of Hong Kong, table egg exports to Hong Kong grew 14% in 2019 (January - October 2019) from 2018, to 44,900,065 (dozen) eggs.

- **Middle East** – One of the leading Dubai importers and suppliers doubled their liquid egg imports (16 containers to 30 containers) to their distribution network of five-star hotels and resorts, catering companies, international food chains, hospitals, bakeries, ships and airlines from 2016 to 2018.

**Looking Ahead to 2020**

The future of U.S. egg and egg products looks promising. USDA projections indicate a strengthening in 2020, as well as continual increases from 2020 through 2028 for U.S. egg exports. The Free Trade Agreement (FTA) on the horizon between the U.S. and Japan should bode well for future U.S. egg product exports to Japan, the U.S.'s number one market for U.S. egg products. The U.S.-Japan FTA provides staged tariff elimination for egg products immediately on January 1st, 2020 (Year 1) and again April 1, 2020 (Year 2) providing a more equal advantage against EU and the recent EU-Japan FTA.
Likewise, the United States-Mexico-Canada Agreement (USMCA), once ratified, should positively support future U.S. egg exports to Mexico and Canada. USMCA will create a level of certainty and stability for businesses which will help the growth of U.S. egg and egg product exports into Mexico and Canada. It maintains the most of the free status the three partner countries shared under the old NAFTA as well as provides additional market access for U.S. eggs to Canada including increasing the quota of eggs and egg-equivalents products and granting import licenses to new entrants.

Along with the latest market opportunities opened in Chile, Guatemala, Morocco, South Africa, Taiwan and Tunisia, concentrated efforts by the U.S. government and egg industry will certainly provide more market prospects globally.

Given the expectations of the FTAs, AEB’s major priorities for 2020 include:

- Protect shell egg trade in Hong Kong
- Recover egg product business in Japan
- Increase exports to Mexico
- Diversify markets to open new opportunities for U.S. eggs, taking advantage of new access in markets such as Taiwan, India and the Southeast Asian region.

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<th>Tariffs</th>
<th>Year 1</th>
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<td>Dried Whole Egg</td>
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Please refer to the international section of AEB.org for upcoming events. Also, mark your calendar to participate in Q1 opportunities:

- **February 16-20**: Gulfood, Dubai
- **March 10-13**: FOODEX, Tokyo
- **March 23-26**: USAPEEC Strategic Planning Meeting, Tokyo, Japan
- **March 31-April 3**: Food & Hotel Asia – Food & Beverage, Singapore

**In Closing**

Increasing exports of U.S. eggs and egg products is a strategic priority for AEB. Exporting is important to the entire egg industry – not just those presently exporting. Please know we have put a lot of thought and effort in to exports. We encourage you to take advantage of the upcoming 2020 international activities to assist in expanding your business. We also have lots of wind at our back on the broader trade policy front.

Looking forward to an eggciting new export year in 2020! If you need export assistance, feel free to reach out to Susan Weller, AEB International Marketing Consultant, slweller@aeb.org.

Anne L. Alonzo  
President & CEO  
The American Egg Board