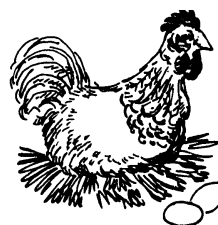




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COMMERCIAL EGG TIP . . .

BUSINESS FAILURE FALLOUT: SATISFYING THE COURT OF PUBLIC OPINION

The recent demise of yet another poultry company has brought to the forefront three issues of note: the financial status of the commercial egg industry, animal care and well-being, and appropriate methods of large volume animal mortality disposal.

Financially, the egg industry has struggled this year as producers fight the battle of low egg prices. The forecast for egg prices remains bleak for the rest of the year. When times are lean, minimizing feed wastage and controlling egg handling losses are critical as producers try to improve their bottom line.

Feed wastage can occur in the form of non-producing hens, faulty equipment and excessive feeding. Hens that are obvious non-producers should be culled to help improve flock feed efficiency. Mass culling of laying flocks can potentially save thousands of dollars in feed expenses. This is particularly true with molted flocks and can more than offset the cost of labor needed to cull. Culling can also reduce the risk of spreading disease within the flock by removing morbid hens. Frequent inspection of equipment, particularly feeding system timers, can minimize feed wastage due to equipment failure or excessive feed delivery to the birds resulting in higher production costs.

Cracked or damaged eggs cost as much to produce as intact eggs, therefore careful attention to egg handling throughout the entire collecting, washing, sorting, and packaging processes can help to minimize loss of salable product. Egg belt maintenance from the back of the furthest house to the packaging department is critical to minimize egg loss. The occasional reminder to employees of the importance of careful egg handling also helps to reduce unnecessary breakage.

Animal well-being is presently a hot button issue for the poultry industry. Animal advocate organizations have pressured large retail companies, particularly those that supply consumers with

PUTTING KNOWLEDGE TO WORK

further processed or ready-to-eat products, into developing animal management and welfare guidelines for their suppliers of raw product. Quality assurance audits for both processing facilities and egg producers will be the means of facilitating and enforcing the guidelines. How animals are handled, fed, and cared for on the farm are points that will be monitored. Depriving animals of feed resulting in death or condemnation will rapidly draw the attention of animal advocacy groups and state agencies. Willful disregard for animal welfare laws can result in criminal prosecution. Care must be taken to ensure that acts of animal neglect or cruelty do not occur within the egg industry.

Disposing of large volumes of poultry carcasses can be a challenge for any poultry operation. When catastrophic losses occur due to disease, chemical residue, or natural disaster, there is urgent need to dispose of the large volume of mortality in an appropriate manner. Burial in large, hastily dug pits is typically the first response. This practice may be environmentally questionable, especially in geographic areas that are prone to flooding or have a high water table. Rendering of the carcasses can occur when a rendering facility is available and able to process the large volume of carcasses. While these two methods are the most common for large volume mortality disposal, composting is also an option worthy of consideration. On-site composting can effectively process large volume mortality from massive die-offs or catastrophic losses in an environmentally sound way when appropriately managed. Although composting large volume mortality requires attention to detail in order for the composting process to operate effectively, when managed properly composting is a biosecure and environmentally sound method for disposal of voluminous poultry mortalities.

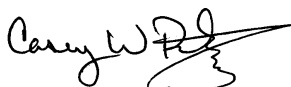
Because we never know when we might come under the microscope of public opinion, whether during times of prosperity or business failure, it behooves us all to operate in a manner that positively reflects the industry as a whole.

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Consult with your poultry company representative before making management changes.