



Dear Members of the House and Senate Agriculture Committees:

On December 6, you received a letter from several livestock groups that opposed “animal rights mandates proposed by the Humane Society of the United States (HSUS).” This description is misleading since the proposal is being made jointly by United Egg Producers (UEP) and HSUS and is the result of negotiations in which both groups made substantial concessions to arrive at a national standard that will bring order and sustainability to the egg industry. Although we respect the right of the livestock groups to make their views known, the letter provides an overheated and distorted view of an initiative that is strongly supported by U.S. egg farmers. We appreciate this opportunity to provide you with our perspective.

UEP and HSUS are jointly petitioning Congress to establish national standards for egg production by amending an existing statute, the Egg Products Inspection Act. UEP is a cooperative whose farmer-members account for 87% of U.S. egg production. Although the group letter lists “Egg Farmers of America” as a signatory, one of two major producers involved in this group has now publicly endorsed UEP’s position, while the other has stated that it will not actively lobby against the industry position. You may want to ask yourself whether you have ever heard of this group before; certainly the fact that our members account for nearly nine-tenths of U.S. egg production should demonstrate that “Egg Farmers of America” do not represent the interests of the vast majority of egg farmers.

In recent years, it has become clear that the egg industry faces a future in which a patchwork of conflicting state laws and trade barriers will make it impossible for us to do business and serve our customers, and lead to the demise of many family-owned farms. All these state laws revolve around the use of cages in egg production. What the December 6 group letter does *not* tell you is that –

- In the wake of California’s 2008 “Proposition 2,” egg farmers in that state face regulatory uncertainty and the prospect of a much higher cost structure, while the state’s lawmakers have passed legislation to prevent other states from shipping eggs into California unless they are produced to California’s own (still-unclear) standards;
- Under the threat of similar ballot initiatives, other states such as Oregon, Ohio and Michigan have already passed state-level production standards;
- Washington State was on the verge of qualifying an initiative for its ballot that would have banned all but cage-free egg production from that state, while other states were

waiting in the wings (Washington's ballot initiative was withdrawn as a result of UEP and HSUS's compromise);

- Other pending ballot efforts all aimed at compelling only cage-free production, thus forcing many farmers out of business and increasing consumer costs; and
- There are 24 states with provisions for ballot initiatives.

States are not simply restricting their own egg producers, but attempting to keep out eggs from other states. The result will inevitably be severe limits on interstate commerce in eggs. Egg producers are convinced that without a national production standard that reconciles conflicting state laws and eliminates trade barriers, our industry cannot survive in its current form. Many of our producers, often multi-generational family-owned farms, will go out of business.

Evidently, the prospect of egg farmers going out of business is not a major concern to some livestock groups. Instead, they are motivated by a hypothetical and baseless fear that our legislation – which involves only eggs, not pork, beef cattle or any other commodity, and seeks no federal funds -- would set a precedent that they do not like. We hope Congress will recognize that we are seeking legislation *only* for the egg industry. Both we and HSUS will oppose efforts to bring any other livestock or poultry species into the legislation.

The reality is that eggs have always been regulated differently than other animal products. This is true with respect to the frequency of inspection, the federal agencies involved, the legal authorities available and the statutes that contain the authority. The establishment of standards for the egg industry would not set a precedent for other industries, and in the past has not done so; for example, although our members support the Food and Drug Administration's Egg Safety Rule, that has not led the FDA to propose a similar regulation for other livestock sectors.

The group letter attempts to disparage "enriched cages," the housing system that HSUS and UEP have proposed, but it does not reflect the view of scientists who are actually familiar with the egg industry. Dr. Jeffrey D. Armstrong, an animal scientist who is president of California Polytechnic State University in San Luis Obispo, calls the UEP-HSUS agreement the "best all around" for hen welfare, and says further that "the science behind colonies [another name for enriched cages] is solid." UEP's scientific advisory committee, comprising experts from Purdue University, the American Veterinary Medical Association and other prestigious institutions, has reviewed enriched cages and has noted that they combine the advantages of both conventional cages and cage-free systems. We might add that this agreement represents the first time HSUS has ever endorsed the use of enriched cages in egg production, as well as the first time that the organization has voluntarily ceded the ability to pursue state ballot initiatives.

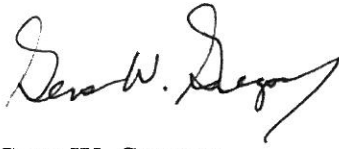
It would be reasonable to ask, Why doesn't the egg industry simply adopt enriched cages without legislation? The simple answer is that only through federal legislation can we avoid the threat of future ballot initiatives that would ban cages altogether, further harming our industry, jeopardizing long-term capital investments and increasing consumer costs.

We can say with confidence that you have never received a letter from our organization seeking to dictate how you resolve an issue specific to beef, pork or other livestock industries. We hope you will agree that legislative decisions should be made by Congress after consideration of all

the facts, not by groups unconnected to the industry that is directly affected. It is interesting that these groups oppose a national standard for egg producers, but when it suits their own interest have frequently supported national standards, such as for meat inspection and environmental protection.

A national standard for egg production is consistent with other important agricultural matters in which Congress has chosen to provide for a single national standard, including in the meat, poultry, crop insurance and commodity futures industries. We respectfully ask your support for this important legislative initiative. We are happy to provide any additional information that may be helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene W. Gregory". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Gene W. Gregory
President
United Egg Producers