

Pamela G. Bailey

President and Chief Executive Officer

ph 202-639-5917 fx 202-637-8464

May 29, 2015

The Honorable Tom Vilsack Secretary United States Department of Agriculture 1400 Independence Ave SW Washington, D.C. 20250

Dear Secretary Vilsack:

The Avian Flu has severely impacted the supply of eggs that food producers rely on to produce a wide array of foods enjoyed by millions of Americans, and on behalf of 15 food companies and associations, we are writing to urge the U.S. Department of Agriculture to expedite efforts to address this serious egg shortage.

Of the 40 million chickens that have been infected with the avian flu virus, flocks that lay eggs destined for further processing have been disproportionately impacted. Approximately 80 percent of the chickens infected were those that lay eggs that are used by food producers, and roughly, 30 percent of the processed egg supply chain has been affected. A reduction of nearly a third of the processed eggs has a huge impact on our businesses, on the food supply and on jobs. If this issue is not resolved quickly, some companies may be forced to delay opening new plants, some production lines will be idled and other plants may close temporarily, impacting the American economy and livelihood of many Americans.

This egg shortage is one of the largest crises the food industry has experienced and it will affect the US food supply as certain foods may become unavailable. It will have a significant impact on our companies and the people we employ.

It is imperative that steps be taken quickly to increase the egg supply, especially the supply of processed egg products, and curtail the negative impact this shortage is already starting to have on food production which will only get worse. To that end, we know there are efforts underway to have the Netherlands export processed egg products to the United States. In order to get eggs from the Netherlands, USDA's Food Safety and Inspection Service (FSIS) must determine that the Netherlands has in place safety and regulatory standards consistent with the U.S. Because the Netherlands previously was eligible to export eggs to the U.S., we are hopeful that USDA can quickly re-verify the equivalency for processed egg products coming from the Netherlands.

It is our understanding that the Netherlands has submitted the names of five establishments from which processed eggs could be exported to the U.S. Given the urgent nature of the egg crisis, we ask you to expedite consideration of the Netherlands application to export processed egg products to the U.S.

The Honorable Tom Vilsack May 29, 2015 Page 2

We have heard various estimates as to when the Netherlands will be approved to ship processed egg products to the U.S. We would greatly appreciate a USDA announcement within the next week regarding when the eggs would be available to U.S. food manufacturers. It is critical that we receive those egg products by June 12, 2015, but if we cannot, it would be helpful to know whether the Netherlands processed egg products will be available, and if so, when and how many would be coming into this country.

We believe it is important to reinforce that processed eggs do <u>not</u> pose a risk of Avian Influenza transmission. The World Organization for Animal Health (OIE) indicates that when the international standards are met, processed eggs can be safely traded regardless of Avian Influenza status of the country of origin.

We acknowledge that the ability to import processed egg products from the Netherlands is not expected to fill all of the demand for processed egg products, but it is a first, most immediate and important step in what will need to be a multi-tiered solution.

Thank you for your leadership on this issue. We urge USDA to expedite this review and announce an expected time frame of when food companies might receive processed egg products from the Netherlands.

Sincerely,

Pamela G. Bailey

President and Chief Executive Officer Grocery Manufacturers Association

Tamp 1. Brilly

And on Behalf of:

American Bakers Association 1300 I Street, NW Suite 700 Washington DC 20005

American Frozen Food Institute 2000 Corporate Ridge, Suite 1000 McLean, VA 22102

The Association for Dressings and Sauces 1100 Johnson Ferry Road NE, Suite 300 Atlanta, GA 30342

Cargill, Incorporated 15407 McGinty Road West Wayzata, MN 55391 The Honorable Tom Vilsack May 29, 2015 Page 3

Chicago Area Retail Bakers Association 5348 N. Clark Street Chicago, IL 60640

Continental Mills 18100 Andover Park West Tukwila, WA 98188

General Mills Incorporated 1 General Mills Blvd Minneapolis, Minnesota 55426-1347

Kellogg Company One Kellogg Square Battle Creek, MI 49016

International Dairy Foods Association 1250 H Street NW, Suite 900 Washington, DC 20005

National Pasta Association 529 14th St, NW, Suite 750 National Press Building Washington, DC 20045

Nestlé Corporate Affairs 505 9th Street NW, Suite 600 Washington, DC 20004

Retail Bakers of America 15941 Harlem Avenue, #347 Tinley Park, IL 60477

The Hershey Company 100 Crystal A Drive Hershey, PA 17033

Wisconsin Bakers Association 2514 S. 102nd Street, Suite 100 West Allis, WI 53227

Unilever 800 Sylvan Avenue Englewood Cliffs, NJ 07632