



For Immediate Release
U.S. Poultry & Egg Association

Contact Gwen Venable, gvenable@uspoultry.org
January 26, 2012

Executive Conference on the Future of the American Poultry & Egg Industry
Different Views on the Future of the American Poultry and Egg Industry at IPE 2012

TUCKER, GA – In 50 years, the world will need 100% more food; and the poultry industry must help meet the challenge of providing safe, abundant, and affordable food to a population that is 7 billion and growing. “We’re at a tipping point where we can really make some progress in this industry. This is an opportunity and a moral responsibility,” said Jeff Simmons, president of Elanco Animal Health, at the Executive Conference on the Future of the American Poultry and Egg Industry held at the 2012 International Poultry Expo and International Feed Expo.

Simmons remarked that as the farming and agriculture industries look for ways to become more efficient and play a greater part in feeding the planet, the playing field in which they will be working for the next several decades will be shaped by global population increases, rising demand for dairy and meat proteins, environmental concerns, economic constraints, and various public issues. He also emphasized that technology has the potential to address 70% to 75% of food-related issues and will enable progress in production and availability, choice, and sustainability.

James Paulsen, chief investment strategist for Wells Capital Management, suggested that while bad economic news seems to be everywhere, the early indicators of a turnaround may have been overlooked or downplayed because of outdated ideas of what improvement should look like. “There are a lot of things to worry about, but don’t miss the recovery while you’re worrying,” Paulsen said, adding that in his view the recovery is “rolling out normally.”

In his *Economic Outlook* presentation, Paulsen remarked that the current recovery is not robust. He predicted that in 2012 the unemployment rate would slowly but steadily decline, consumer confidence would rise, the housing market would improve somewhat, and corporations would begin to spend the vast sums of money they have been hoarding for the last several years, helping stimulate the economy. “Adjusted for labor force growth, the current recovery is stronger than those of the 1970s,” commented Paulsen. “We have to recognize that the recovery is working, but it’s a different character of growth.”

Dr. Elisabeth Hagen, Under Secretary for Food Safety in the Food Safety and Inspection Service, addressed the USDA’s recent announced plan to modernize poultry inspections to focus on areas most relevant to food safety while pulling back on items that have little impact on detection and prevention of foodborne illnesses. Calling this proposal the “biggest stride that we’ve taken forward in a very, very long time,” Dr. Hagen said it would strengthen protections for consumers as well as offer the poultry industry more flexibility, yield tremendous cost savings for the industry, and save taxpayers money. The changes

are expected to save U.S. taxpayers an estimated \$90 to \$100 million in the first three years after they are enacted and lower poultry production costs by at least \$250 million a year.

Tom Silva, vice president at J.S. West Milling Co., described his initial results in his presentation on enriched colony housing. The colony has 116.3 square inches per bird, 4.7 inches per bird of feed space, 5.9 square inches perching per bird, a height of 17.7 inches at the lowest spot, a nest area, scratch and dust pad, and nail files. West says he was pleased with the results but can identify both pros and cons.

The favorable points about the enriched colony system is that it “feels good, looks good, and shows good to the public,” Silva said, noting that the cage height is what most impresses visitors. On the negative side, the initial investment in a flock is 75% higher, due to the cage specifications. He suggested that innovations such as enhanced colonies will spread from a few early adopters. “The egg industry will be different in the future, and I think we have to accept that. Whether the enriched colony is what we finally end up with, it is changing,” Silva remarked.

U.S. Poultry & Egg Association is an all-feather organization representing the complete spectrum of today's poultry industry, with a focus on progressively serving member companies through research, education, communication, and technical assistance. Founded in 1947, U.S. Poultry & Egg Association is based in Tucker, GA.

####



Photo Caption:

Jeff Simmons, president of Elanco Animal Health, presenting at the Executive Conference on the Future of the American Poultry and Egg Industry held at the 2012 International Poultry Expo and International Feed Expo.