

**Testimony of**

**Mike West, President, J.S. West & Companies, Inc.**

**On behalf of the**

**United Egg Producers**

**On**

**The State of the Livestock Industry: Producer Perspectives**

**Before the**

**Subcommittee on Livestock, Dairy and Poultry**

**Committee on Agriculture**

**U.S. House of Representatives**

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## Introduction

Mr. Chairman, Ranking Member Jim Costa, and members of the Subcommittee: Thank you for the opportunity to testify today on behalf of United Egg Producers. UEP is a farmer cooperative whose members independently market about 90% of all eggs produced in the United States.

My name is Mike West, and I am president of J.S. West & Companies, Inc.. With headquarters in Modesto, California, J.S. West is a family-owned producer of eggs and other products and has been in business for more than 100 years. I also have the privilege to serve as chairman of UEP.

With the focal point of today's hearing being the state of the animal agriculture economy in the United States, I would observe that, in general, the farmers who supply eggs, the feed that makes U.S. egg production possible, and retail outlets, restaurant and foodservice customers that buy our products, have all largely lived in harmony for many years-- *until* the arrival of Highly Pathogenic Avian Influenza, also known as HPAI or "bird flu," that hit us in 2015. We have been faced with major challenges ever since, with worsening impacts beginning in 2022 that continue to trouble our egg producers today. The United States has entered the fourth year of an outbreak of HPAI that has devastated farms, required the depopulation of more than 162 million birds on poultry operations, infected a small but growing number of farm workers, and – tragically – earlier this year led to the first human death in the United States from the disease.

HPAI has led to an egg supply crisis that has caused pain at every level for our customers and consumers. This unprecedented disruption in the egg market is systemic – the volatility is being felt nationwide, as are the ongoing ripple effects of continuing new cases.

A new urgency is required from the U.S. government to address this crisis, and we have every confidence that USDA and the White House are working every day to provide solutions to egg farmers. Just last week, Secretary Rollins and her colleagues at the Animal and Plant Health Inspection Service and other agencies demonstrated a new sense of urgency, announcing a new strategy plan that UEP fully endorses. I will speak to aspects of USDA's new plan throughout my testimony.

Today, I will focus on the appropriate role of the U.S. Department of Agriculture, and I will identify specific steps that can be taken now to improve our response to HPAI and control the disease – many of which the Secretary has embraced. For the egg industry, it is imperative that USDA move swiftly and decisively – and we now are confident that they will. HPAI is the single biggest problem the egg industry faces. It is the reason for shortages of eggs and high egg prices.

But more important than any of these is the need to control the mutating HPAI virus before it can become more virulent or attain the ability to spread easily from human to human. HPAI is about much more than eggs – it is about other poultry, livestock, and yes, our human population.

Let me say a word about numbers. The statistics on the numbers of farms and birds lost to HPAI were current as of February 27. All these numbers are larger today. They are getting bigger – and more alarming – by the day. We are happy to provide up-to-the-minute numbers for any Member who may be interested, but because of the need to submit testimony in advance, we want the

Subcommittee to understand that the HPAI crisis is even more severe than the statistics cited in my testimony will indicate.

## **Background**

Since the current outbreak began in 2022, 165.17 million birds have been depopulated from farms where HPAI was detected. In the egg industry, there have been detections on 128 farms, and 129.72 million birds have been lost. (When a flock is positive with HPAI, virtually all birds will die of the disease. Emergency depopulation of the flock is required under the Animal Health Protection Act and is more humane than allowing the birds to suffer and then die - and it is critically important to reduce spread and prevent the disease from moving to neighboring farms.)

It is important to understand the devastating impact HPAI has on egg farms. In broiler chicken operations, birds are in barns for a matter of a few weeks before being harvested. By contrast, laying hens may be actively producing eggs for two years or more. If they must be depopulated because of HPAI, the time and expense required to get the farm to full production are much greater than is the case for broilers. During that time, revenue on farms falls to zero.

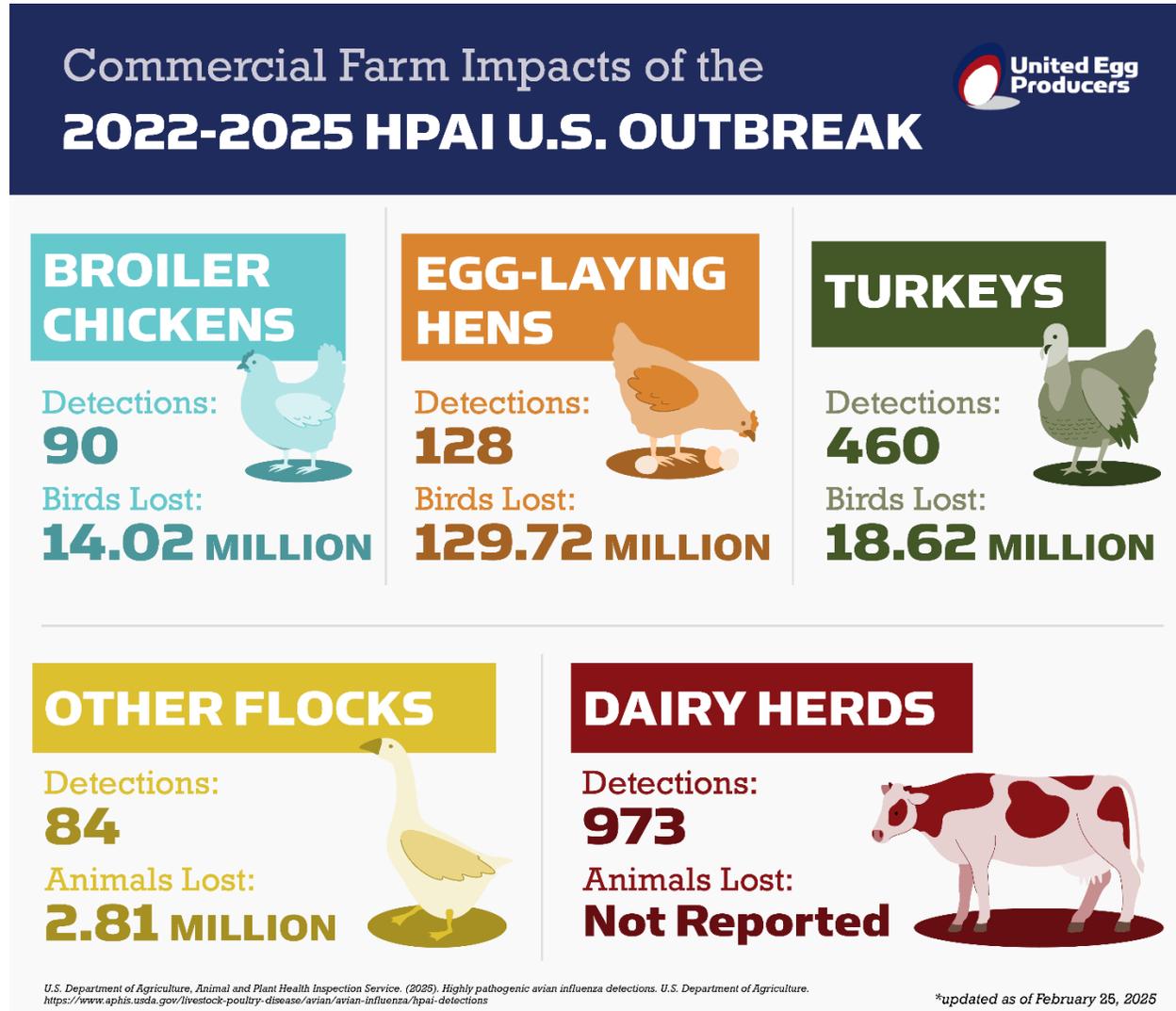
The spread of HPAI to the dairy industry beginning in early 2024 has also brought renewed problems for nearby egg flocks, many of which have been infected with the strain found in dairy cattle. Since many experts believe the virus is airborne<sup>1</sup>, even the best biosecurity systems on egg farms may not be sufficient to prevent infection. During 2024, 28 million laying hens were infected with the HPAI strain found in dairies, and 14 million with the strain carried by wild birds – a 2-to-1 ratio. Understandably, egg farmers feel a sense of urgency in controlling HPAI in the dairy sector – our operations have become collateral damage.

As with broilers, the impact of HPAI on egg farms and dairies is quite different. The cattle do not die and eventually return to milk production. By contrast, HPAI is always fatal to layers and a depopulated farm has no revenue from egg production until the disease is confirmed absent and new flocks can be placed.

In response to outbreaks and lateral transmission in the dairy sector, USDA required lactating (but not non-lactating) dairy cattle to be tested prior to interstate movement. Some months later, USDA announced a [National Milk Testing Strategy](#), whereby states can progress through five stages of response, with the final stage being a demonstration of the absence of H5 virus in U.S. dairy cattle.

As of early January 2025, [28 states](#) had enrolled in the program. Of these states, three – California, Nevada, and Texas – are classified as “affected,” meaning the disease has been shown to be present. Ten states are conducting national milk plant silo monitoring, i.e., testing the milk supply at processing plants, while 18 are conducting state-specific surveillance, which involves testing milk on individual dairy farms. All of these USDA actions have shown results, and the data indicate the HPAI positives from the dairy strain have fallen dramatically even as the HPAI strain from wild birds is increasing.

The graphic below shows HPAI detections in commercial poultry flocks and dairy herds. In addition to these detections in commercial operations, there have been 792 detections in small backyard poultry flocks and flocks below the commercial threshold.



## Egg Prices

Eggs are an agricultural commodity with inelastic demand. A drop in supply can produce a more-than-proportional increase in price. That has indeed happened, since HPAI-infected flocks must be depopulated, and it takes months to replace them. From October 2024 through mid-February, over 49 million layers and pullets were depopulated because of HPAI infections. The supply of eggs has fallen significantly as a result.

Egg farmers, like other farmers, do not set the price of eggs. They do not set the retail price in the grocery store, and they do not set the wholesale price that is paid to them. Like the prices of corn,

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cattle, soybeans and other commodities, egg prices are established by the interplay of supply and demand in the marketplace.

If the government moves aggressively to better control and prevent HPAI, there will be a number of benefits, not least of which that eggs will be more plentiful, and there should be corresponding price relief. Egg demand has increased year-over-year for 23 consecutive months, and it is critical that farms be able to supply that demand for nutritious, high-protein eggs. To begin that recovery, we must have a period with no new detections of HPAI. The chart over my shoulder shows a snapshot of egg prices over time. You can see that after virus subsided post the 2015, 2022, and 2024 outbreaks, farmers repopulated, and price fell back to more historical levels.

## **Indemnities and Other Federal Costs**

Under the Animal Health Protection Act, USDA's Animal and Plant Health Inspection Service (APHIS) pays indemnities to farms affected by HPAI, reflecting the mandatory depopulation of all animals on these farms. USDA also provides compensation for related expenses such as disposal costs.

In a previous outbreak in 2014-15, taxpayer costs for indemnities, compensation and other related expenses were almost \$1 billion. Through November 2024, in the current (2022-2025) outbreak, federal expenses totaled \$1.4 billion, of which \$1.25 billion was spent on indemnities and compensation to producers.

Indemnities and compensation are similar to disaster assistance that is often made available to other agricultural sectors: a response to an unavoidable and catastrophic situation for affected producers, which helps but never makes up for the entire loss. Both the emotional and financial tolls of HPAI are devastating for egg farmers. Moreover, once a farm is infected with HPAI, depopulation is not voluntary, it is mandatory under the Animal Health Protection Act. Indemnities partly compensate for a loss of value that is imposed on producers by the government. Without indemnities and compensation, many farms would likely exit production. UEP has shown that the current formulas used by APHIS to calculate indemnities are inadequate and has recommended an alternative. Thankfully, APHIS agrees, and is updating indemnity calculations to more fully reflect the value that is lost when birds are depopulated. We look forward to reviewing these updated indemnity rates when they are available in the near future.

## **Vaccination and Trade Strategy Essential**

Since the 2014-15 HPAI outbreak, egg farms have invested heavily in biosecurity – measures to prevent disease from entering a farm. During that outbreak, the primary means of disease spread was lateral, i.e., from one farm to another, likely through vectors like shared contractors, shared equipment and visitors. By contrast, in the current outbreak, lateral spread among poultry farms was minimal due in large part to these new biosecurity practices; most infections were the result of point-source introduction, chiefly by wild birds. This also seems to be the case when poultry farms are infected by nearby dairies, as has increasingly occurred.

Rigorous biosecurity is normally the poultry industry's best defense against HPAI. Unfortunately, current conditions are not normal due to the heavy viral load in wild birds as well as the fact that the HPAI virus

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continues to circulate on dairy farms that are often near poultry farms. We can no longer rely on biosecurity alone. HPAI is persistent and aggressive – and our strict practices are not foolproof.

It is essential to develop a vaccine strategy that includes not only dairy but also layers and turkeys – and is accompanied by a trade strategy to avoid impact on broiler exports. In August 2024, UEP joined the National Milk Producers Federation, International Dairy Foods Association and National Turkey Federation in calling on USDA to “support development of safe and effective H5Nx vaccinations for dairy cows, turkeys and egg-laying hens to help mitigate the circulation of H5Nx in dairy herds and reduce the risk of spill-over of Highly Pathogenic Avian Influenza (HPAI) into commercial turkey flocks and egg layer operations.”

There is authoritative international support for this view. The World Organization for Animal Health (WOAH)’s director general was quoted in [Reuters](#) as calling for wider use of vaccination, saying that “if used correctly, it will reduce viral circulation and therefore exposure to humans.” In addition, the World Egg Organization has also endorsed vaccination. UEP has assembled a group of world class expert veterinarians to develop a comprehensive vaccination strategy which we will be sharing with APHIS soon.

Secretary Rollins has announced that USDA is developing a vaccine strategy and taking a number of related steps. We commend the Secretary for her leadership in this vital area. We also realize that developing vaccines that are both effective and practical to administer will take time. There is much work to be done. We also believe the vaccine strategy should include turkey flocks and dairy herds.

## Recommendations

Egg farmers are not satisfied to identify the problems, although that is important. We feel a responsibility to identify solutions. The remainder of this testimony will identify, in some detail, the actions our industry believes are appropriate to address the HPAI crisis. We believe these recommendations are all consistent with Secretary Rollins’s February 26 announcement, which contemplates up to \$1 billion of near-term spending on vaccines, indemnities and biosecurity.

### Vaccination

- Adopt an aggressive, forward-looking **strategy for vaccination** in laying hens and turkeys accompanied by a trade strategy to avoid harming exports.
  - Proceed to **stockpile** vaccines, as announced January 8.
  - Take advantage of the single laying flock in Hawaii to **begin HPAI vaccine field trials** in an area geographically isolated from the continental U.S., thus mitigating trade concerns.
  - Work intensively on layer and turkey vaccine **delivery methods other than injection** (e.g., addition to water supply) since injecting all birds on a farm multiple times is not feasible, particularly in cage-free operations
  - Explore the use of **“ring vaccination”** in control zones to reduce spread potential.

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- Establish science-based policies, including the ability to differentiate infected from vaccinated animals, that will determine how **vaccinated flocks that subsequently test positive** are treated.
  - Because HPAI is a public health issue, all direct and indirect **costs** related to vaccination should be borne by the federal government.
  - Determine which **trading partners** would react adversely to the use of vaccination and commence intensive negotiations with these countries, which are likely to be small in number, to establish protocols for the use of vaccines without trade interruption.
  - Ensure adequate operational funding for the U.S. National Poultry Research Center and mandate that the Center begin research on layer vaccines.
    - This requires operations funding of at least \$10 million per year, either through inclusion in the President's budget and subsequent appropriation, or through transfer of funds from other sources.
    - Currently the Center is conducting research only on dairy and turkey vaccines, but layer vaccine research must be a priority. The Center has the only Biosafety Level 3 facility that can carry out this vaccine work.
    - The federal hiring freeze has left 26 new hires at the Center in limbo. The administration should immediately exempt these positions from the freeze. It makes no sense to consciously deny resources that are needed to deal with HPAI. (is this comment still true?)

## Indemnities

- **Correct indemnity calculations** for laying hens and pullets, adopting reforms recommended by UEP in July 2024.
  - These reforms would stabilize indemnity rates from year to year, use only data from either USDA or land-grant institutions, and cover modestly more of producers' devastating losses.
  - Even with UEP's recommendations, indemnities would not come close to making producers whole.
- **Recognize the higher costs of alternate production methods**, such as cage-free, organic, pasture-raised and other methods demanded by some consumers and (in the case of cage-free production) required by law in some states.
  - Higher indemnity rates for organic production are already available for some other species, such as turkeys, and gathering the necessary data to set such rates for layers should be a priority.
- **Delay implementation** of a recent [interim final rule](#) requiring biosecurity audits until an adequate number of auditors have been hired and trained, and until public comments have been received.
  - The rule was announced when **only a handful of trained auditors are available** nationwide, and if implemented as published, would greatly delay repopulation of flocks, thus exacerbating supply problems.

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## Addressing Inter-Species Transfer

- Adopt **principles for vaccination** and related topics that were laid out on August 16, 2024, letter from UEP, National Milk Producers Federation, International Dairy Foods Association and National Turkey Federation.
- **Accelerate testing** of all farms in control zones and adjacent counties where any affected species are present.
- Provide for all states to **move quickly through the first four stages** of the National Milk Testing Strategy. Gather information on the **characteristics of dairies in control zones that test negative** in order to inform best practices for the industry.
- Expedite **field trials of vaccines in dairy cattle**, and move toward a program of vaccinating the dairy herd.
- Move proactively toward **biosecurity measures** in the dairy industry that will reduce spread, in the same way that biosecurity on poultry farms has greatly reduced the amount of lateral spread compared to 2014-15 (most infections have been point-source introductions, e.g., from wild birds).
- Expand **testing of dairy cattle** moved interstate to include both lactating and non-lactating animals, as well as animals headed for slaughter.

## Research to Mitigate Harm from HPAI

- Establish an **HPAI Strategic Initiative** to engage experts within industry, universities and government to expand knowledge and develop novel methods of prevention, detection and response.
  - Details of the initiative were provided in a July 2024 letter from UEP, National Chicken Council, National Turkey Federation, USA Poultry & Egg Export Council and U.S. Poultry & Egg Association.

## Conclusion

Egg farmers across the United States appreciate the Subcommittee holding this hearing. It is more than timely. And we genuinely appreciate all the help and support from members of this Subcommittee and the staff in finding solutions. Prompt action by our government is needed to address a crisis that implicates animal disease and welfare; the viability of family farms; and most important, public health. The costs of inaction are too great to bear.

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We must begin to develop and implement a vaccination strategy that will reduce the incidence of HPAI, keep chickens healthy and stabilize the U.S. egg supply for American consumers.

We must change the way farmers are indemnified for HPAI outbreaks so that multi-generational family farms stay in business and keep their workers employed.

We must get a handle on this virus and stop it from circulating so that it does not mutate into a form that would threaten human health.

Several other actions have been recommended. One is to expand imports of eggs. It is important to understand that eggs are already being imported from several countries as “breaking stock” – eggs to be broken, pasteurized and converted into products such as liquid whole egg, dried egg whites and numerous others. These imports can potentially free up some eggs for the retail market.

We certainly do not oppose the import of eggs and egg products – as long as they are safe. Under longstanding regulations, shell eggs imported into the United States should be from farms that comply with the Food and Drug Administration’s Egg Safety Rule. Egg products imported should be from countries with food safety systems that are equivalent to ours – as is the case for meat and poultry imports. Secretary Rollins has stated clearly that eggs will only be imported if they meet our food safety standards, and we commend her for this stance.

Today, our food supply is safe. The risk of human-to-human transmission is low.

But viruses mutate. The more they circulate, the more opportunity they have to mutate. We cannot take the kinds of risks that rapid mutation entails. We must move decisively and with urgency to control this disease. The time for waiting has passed.

Thank you for asking us to testify and for considering our views.