

# Scrambled Eggs

*Separating Factory Farm Egg Production from Authentic Organic Agriculture*



**CORNUCOPIA**  
INSTITUTE

**A Report by The Cornucopia Institute | 2nd Edition | December 2015**

The Cornucopia Institute wishes to sincerely thank the foundations that have supported our research and the thousands of family farmers and their urban allies who fund our work with their generous donations.

*The Cornucopia Institute is chartered as a tax-exempt public charity focusing on research and education. Its Organic Integrity Project aims to empower organic producers, consumers, and wholesale buyers so they can make discerning marketplace decisions protecting the credibility of the organic food and farming movement and the value it delivers to society.*

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Report design and layout: Draft Horse Studio | [drafhorsestudio.com](http://drafhorsestudio.com)

Cover photo sources (l to r): The Cornucopia Institute (photos 1, 2, and 4), Dollar Photo Club (photo 3), and Thinkstock (photo 4)

Organic Egg Scorecard design and layout: Papertree Design | [papertreedesign.com](http://papertreedesign.com)

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# Executive Summary

Consumers are increasingly interested in knowing the story behind their food, looking for alternatives to the industrial food system. They desire a food system that preserves the environment, supports family farmers, and treats animals with respect as living beings, rather than merely units of production.

Ecologically minded farmers are responding to this increased demand for ethically produced food, and producers are expanding their operations to provide more organic eggs to an ever-growing market.

Since 2002, the use of the term “organic” on food packaging has been regulated by the United States Department of Agriculture (USDA). Federal regulations determine which farms and processors qualify as “organic” and, therefore, are authorized to use the official “USDA Organic” seal on their food packaging.

However, while consumers expect the organic label to provide an alternative to the industrialized food system, approaches are diverging in the organic-egg-producing sector. One path affords adequate outdoor access (often on well-managed pasture), intentional diversity on the farm, and conditions which allow hens to exhibit their natural behaviors outdoors. The other path favors large numbers of laying hens raised in confinement conditions nearly identical to conventional, industrial-scale egg production.

Organic egg producers across the spectrum, and their certifiers, all claim to be following the federal organic standards. But administration of the regulations varies widely based on differing interpretations, working definitions, and applications of the standards.

For most consumers, and many producers, “organic farming” means respecting the underlying principles of the organic movement, such as building soil fertility, maintaining ecological balance, promoting biodiversity, reducing dependence on off-farm inputs, recycling nutrients, and allowing livestock to display their naturally instinctive behaviors.

For others, especially large-scale producers, “organic” appears to be nothing more than a profitable marketing term to apply to the agro-industrial production model, simply substituting organic feed for conventional and eliminating prohibited synthetic inputs, such as pesticides and antibiotics.

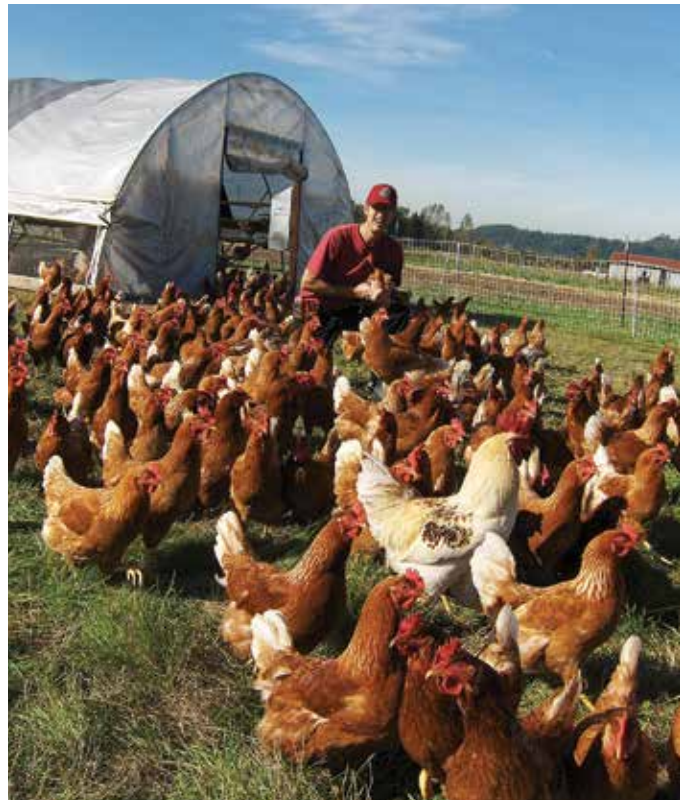


PHOTO: COURTESY OF CLEAN FOOD FARM, ORTING, WA

Certified organic family-scale, diversified farms that produce pastured eggs, such as Clean Food Farm in Washington state, above, represent the gold standard in the organic egg sector.

**Paths are diverging in the organic-egg-producing sector: One path affords outdoor access and diversity on the farm; another path has led to large-scale industrialization motivated by profit.**

As an example, the largest egg company in the United States, Cal-Maine Foods, reported to investors that they were diversifying into “high-margin and less cyclical [pricing] specialty eggs including organic,” indicating that this shift would have a favorable effect on their profitability.

This report examines the four production models common in the organic egg industry today: pasture-based production with mobile housing; fixed housing surrounded by extensive pastures managed for good cover; fixed housing affording minimal, but currently legal, outdoor access; and the industrial model, with often no outdoor access at all. This report explores each of these different models, comparing them to one another and assessing their relationship to the objectives intended by the organic label.

The National Organic Standards Board (NOSB) is the expert citizen panel created by Congress to advise the Secretary of Agriculture on organic policy, rulemaking, and enforcement. When the NOSB first recommended meaningful outdoor access for laying hens, they specified that the intent of outdoor runs was “to satisfy [the chickens’] natural behavior patterns, provide adequate exercise area, provide preventive health care benefits and answer consumer expectations of organic livestock management.”<sup>1</sup>

Today, organic standards include a requirement for outdoor access for livestock, including laying hens. Unfortunately, Cornucopia’s research uncovered most industrial-scale producers confining tens of thousands of hens to henhouses, commonly offering only tiny porches as “outdoor access”—and getting away with it. Genuine outdoor access for laying hens is an important factor in, and a main variable among, the following different production models.

**Pasture-based organic** farms house flocks of laying hens in mobile chicken coops, rotated throughout the pasture itself. The birds are allowed to roam freely, so the chickens are never on the same section of pasture for very long. In these situations, chickens can exhibit their natural behaviors, foraging, scratching, and flapping their wings. Additionally, on such pasture hens receive a percentage of their natural diet from fresh grass, earthworms, seeds, and insects.

**Enhanced outdoor access** is also often referred to as “pastured-raised.” This method uses fixed housing with pastures, often managed for good vegetative cover and outside enrichments, such as feed, water, and shade, to encourage

foraging behaviors in hens. Flock sizes in this model typically range from 500 to 7,000, with at least one company pushing the envelope to as many as 20,000 birds.

**Fixed housing** is another practice commonly used by many family-scale organic egg producers. Rather than rotational grazing with mobile coops, farmers offer enough outdoor space for all their hens to pasture simultaneously. Pasture size and quality vary across these models, and henhouses hold between 1,000 and 20,000 birds. Inside the henhouse, the hens generally live on the floor—no cages—with nest boxes, perches, and litter. Some houses have aviaries that have multiple levels within the house for the hens to access.

**Industrial-scale producers are currently housing tens of thousands of hens inside henhouses, offering only tiny enclosed porches as “outdoor access”—or no outside access whatsoever—and getting away with it.**

**Industrial-scale egg production** differs substantially from the other three models. These producers do not provide hens with access to outdoor vegetated space at all; rather, their birds are essentially confined in warehouses with as many as 125,000 to 150,000 hens each. In some of these situations, enclosed porches, accessible to only a small percentage of the birds, pass as “outdoor access.” Industrial egg producers sometimes house as many as 1 million or more birds on such organic “farms,” frequently using two-story barns and aviary-type systems described by one organic producer as “glorified cages.”

As an example, Herbruck’s Poultry Ranch, a certified organic facility in Michigan, was licensed for up to 1.15 million hens — and it is continuing to expand. And, unlike most family-scale organic egg producers, they appear unwilling to make changes to their production system to accommodate improved animal welfare standards.

In some instances, certification agents have granted permanent exemptions from outdoor access requirements altogether. In one documented case, certifier Oregon Tilth allows Petaluma Farms, in California, to continuously confine their chickens, in direct conflict with federal regulations, because of a purported risk of avian influenza. Petaluma is an Organic Valley supplier.

The Cornucopia Institute has filed several formal legal complaints with the USDA, alleging that these industrial producers are in violation of organic standards.

Due to the increased scale of production by major companies, industrial producers are undoubtedly marketing the vast majority of organic eggs sold in the U.S., but these giant companies are by no means representative of the majority of organic egg producers.



Cornucopia’s aerial investigation of industrial-scale organic producers, such as Herbruck’s Poultry, pictured above, revealed that many confine their laying hens rather than provide outdoor access, as required by organic regulations. This operation, likely the largest “organic” egg farm in the country, is located near Saranac, Michigan.

The debate over whether legal organic egg production requires meaningful outdoor access for hens, on vegetated outdoor runs or rotated pasture, has been disputed for many years within the NOSB.

Although the NOSB issued a recommendation in 2002 stating that organic egg producers must provide vegetated outdoor runs, and that porches do not meet the intent of the organic rule, the USDA never adopted it as a regulation. The issue resurfaced in 2009, and again in 2011, when the NOSB’s Livestock Subcommittee included similar language in a set of recommendations aimed at strengthening animal welfare in organic food production.

The 2011 recommendations required a minimum of 2 square feet of both indoor space and outdoor space per laying hen. European Union organic standards, in comparison, require only around 1.8 square feet of indoor space, but 43 square feet of outdoor space per bird, clearly emphasizing the importance of extensive outdoor range for the health and welfare of the flock.

In response to the proposed language enforcing even this minimal degree of outdoor access for laying hens, industrial-scale producers and their trade group lobbyist from the United Egg Producers traveled to the spring 2010 NOSB meetings to publicly oppose the recommendations. Bart Slauch, director of quality assurance at Egglund’s Best, commented: “The push for continually expanding outdoor access ... needs to stop, and I believe that the proposed standards have gone too far.”<sup>22</sup>



This 35,000-bird certified organic henhouse in Wisconsin utilizes an *aviary* system.

There are hundreds of family farmers producing organic eggs successfully while granting meaningful outdoor access to their hens. However, since industrial-scale producers managed to convince the National Organic Program (NOP) to substitute porches for substantive outdoor access requirements, the USDA has promoted the growth of the industrial organic model, giving the green light for construction of additional double-story hen warehouses.

This approach has economically disadvantaged producers that currently follow both the spirit *and* the letter of organic law. But a handful of industrial-scale producers argue that the organic egg industry would collapse if they were required to provide meaningful outdoor access to hens.

However, Cornucopia analysts suggest that any shortage created by the exit of large illegal egg producers from the industry would be short-lived and would create market incentives for more modest operations to meet demand.


The purchasing power advantage of industrial-scale operations has encumbered independent feed mills and family-scale farmers. Organic feed industry experts note that the largest industrial-scale operations, a number of which own their own feed mills, enjoy an economy of scale in feed procurement based on buying in railroad-car quantities, or direct from feed growers or other large-scale handlers. This contrasts with the demonstrably smaller purchases by family-scale farmers. While conducting our research, many farmers told us that they had dropped their organic certification due to not only the cost of certification, but also the dramatically rising cost of organic feed, while organic egg prices in the marketplace have not risen commensurately.

According to industrial-scale egg producers (flocks larger than 20,000 birds), their model of organic egg production produced 80% of the organic eggs on the market by volume in 2010.

There are, however, only a handful of organic companies that follow the industrial model. Indeed, a study commissioned by the USDA Agricultural Marketing Service (AMS) identified only five very large organic egg producers, while the hundreds of other producers are small to mid-scale.

The actual number of organic egg farmers in the U.S. is somewhat unclear. According to USDA data, the 2008 Organic Ag Census showed the number of organic egg farms in 2007 was 540. On January 2, 2014, the USDA's NOP certified producers database showed 453 certified producers of eggs in the United States. That indicates a drop of 16%.

However, the most recent update to the NOP database (current at the time of publication of this report) now shows 712 certified organic egg farmers, which would mean a remarkable 57% increase in producers during the past 18 months. And the recently released organic census data from the USDA National Agricultural Statistics Service pegs the number of organic egg farming operations at 795. Further analysis is warranted to analyze the discrepancies.



**Hundreds of family farmers producing organic eggs grant meaningful outdoor access to their hens. But the cheaper practices of industrial-scale egg producers have already driven some family-scale producers out of business.**

The following report further explains organic egg production, expounding on the four different approaches, outdoor access, market conditions, and the various definitions associated with organic egg certification. It uncovers industrial-style egg production and the growth of industrial organics. The report also addresses animal welfare standards in organics and evaluates various animal welfare labels.

Since the original Scrambled Eggs report (2010), Cornucopia has been instrumental in bringing legal complaints to the USDA, in support of changes to regulatory standards impacting this market. A description of these claims is included in Appendix A of this report.

An important component of Cornucopia's updated egg report is the consumer marketplace tool, the Organic Egg Scorecard. The scorecard rates certified organic brands based on criteria that are important to organic consumers, such as legal and legitimate outdoor access, humane animal care, and adherence to organic principles, such as farm diversity and nutrient cycling.

Consumers and wholesale buyers can use the newly updated Organic Egg Scorecard to guide their purchasing decisions in the marketplace, choosing ethically produced, highly rated brands over those with a low rating. As a result, informed consumers will vote with their dollars in the marketplace, driving wholesale and retail business towards ethical producers, putting economic pressure on the scofflaws in this industry, and supporting genuine, family-scale organic farmers.

The Organic Egg Scorecard is available on The Cornucopia Institute website ([cornucopia.org](http://cornucopia.org)), along with this full report and other related materials.

## Organic Egg Scorecard

To help organic consumers determine which brands of organic eggs and their corresponding production models comply with their ethical expectations, The Cornucopia Institute developed a scorecard that grades organic egg brands. Ratings are based on the producers' answers to a comprehensive questionnaire about production practices, unannounced site inspections, aerial photography, satellite imagery, and extensive industry interviews.

The scorecard allows consumers and wholesale buyers to make discerning purchasing decisions, rewarding the individual farms, cooperatives, and corporations that have made the investments necessary to comply with both the letter of the federal laws governing organics, and the values-based expectations of organic egg customers.

Brands rated by Cornucopia fall in one of the following five categories:

### **“5-EGG” RATING: “EXEMPLARY”—BEYOND ORGANIC**

Producers in this top tier manage diverse, small- to medium-scale family farms. They generally raise their hens in mobile housing on well-managed and ample pasture. They sell eggs locally or regionally under their farm's brand name, mostly through farmers' markets, food cooperatives, independently owned natural and grocery stores, and, sometimes, through larger chains like Whole Foods. Often they raise their own replacement pullets from chicks and begin to offer hens outdoor access around 6-10 weeks of age, once they have fully feathered.



Egg producers who scored 5, 4, or 3 eggs on Cornucopia's scorecard can now promote their high rating with new marketing decals (actual size: 1/2" diameter). To request the artwork or order adhesive decals for your package labeling, email [cultivate@cornucopia.org](mailto:cultivate@cornucopia.org).

### **“4-EGG” RATING: “EXCELLENT”—ORGANIC PROMOTING OUTDOOR ACCESS**

Producers in this category provide ample outdoor space and make a credible effort to encourage their birds to go outside. Most provide excellent outdoor environments, often either rotated pastures or well-managed outdoor runs, with an adequate number of popholes/doors for the chickens to reach the outdoors. Flock sizes are typically larger than most 5-egg rated operations, and hens spend much of their time (i.e. during the night and inclement weather) inside fixed barns.

### **“3-EGG” RATING: “GOOD TO VERY GOOD”—ORGANIC, COMPLYING WITH MINIMUM USDA STANDARDS**

Brands with a three-egg rating are meeting the minimum standards to qualify for legal organic status. Many are very good choices for consumers. Eggs from brands in this category either come from family-scale farms that provide outdoor runs for their chickens, or from larger-scale farms where meaningful outdoor space is provided. All producers in this category appear committed to providing at least 2 square feet of outdoor space per hen. However, the percentage of birds that actually venture outside in this category varies wildly.

Many brands do not offer a very hospitable environment for the birds outdoors and purchase their pullets from contractors who confine them to buildings for the first 16 weeks of their lives. They are much less apt to go outdoors once they are trained to the henhouse even if the operators provide adequate doors and space. Others allow young birds outdoors as early as six weeks and provide shade and water in the outdoor run.

### **“2-EGG” RATING: “FAIR”—SOME QUESTIONS REMAIN CONCERNING COMPLIANCE WITH FEDERAL STANDARDS**

These brands represent either industrial-scale operations or others with outstanding questions or concerns regarding their compliance with USDA organic regulations. By filling out Cornucopia's voluntary survey, transparently sharing details regarding egg production and animal husbandry, these organizations distinguish themselves from the ethically challenged brands below.

### **“1-EGG” RATING: “INDUSTRIAL ORGANICS—NO MEANINGFUL OUTDOOR ACCESS AND/OR NON-TRANSPARENT.”**

Brands with “1-egg” ratings generally represent industrial-scale egg operations that grant no meaningful outdoor access and those that chose not to participate in this survey. “Outdoor access” on these operations generally refers to covered concrete porches, barely accessible to the chickens. Means of egress from buildings are, many times, intentionally small to discourage birds from going outside, allowing for only a small percentage of birds to have “access” to the outdoors. No producers in this category were willing to participate in The Cornucopia Institute's project, and none shared their production practices with Cornucopia researchers. This is disturbing to many organic consumers, since transparency has always been viewed as a hallmark of the organic food movement.

All producers received numerous invitations to participate in this study delivered by certified mail, email reminders, and phone calls.

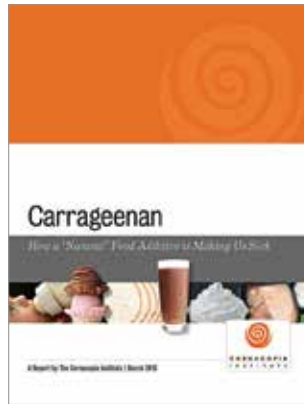
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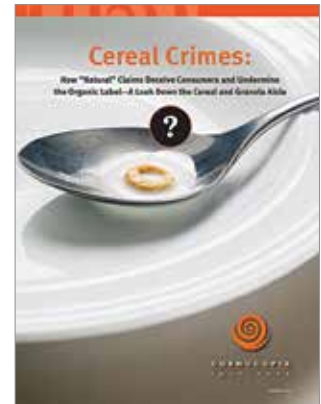
**Decoding Pet Food:** Adulteration, Toxic Ingredients, and the Best Choices for Your Companion Animals



**Culture Wars:** How the Food Giants Turned Yogurt, a Health Food, into Junk Food



**Carrageenan:** How a “Natural” Food Additive is Making Us Sick



**Cereal Crimes:** How “Natural” Claims Deceive Consumers and Undermine the Organic Label—A Look Down the Cereal and Granola Aisle



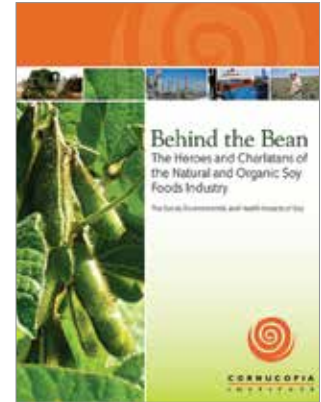
**Scrambled Eggs:** Separating Factory Farm Egg Production from Authentic Organic Agriculture, 2nd edition.



**Maintaining the Integrity of Organic Milk:** Showcasing ethical family farm producers, exposing the corporate takeover — factory farm production



**Replacing Mother—**Imitating Human Breast Milk in the Laboratory. Novel oils in infant formula and organic foods: Safe and valuable functional food or risky marketing gimmick?



**Behind the Bean.** The Heroes and Charlatans of the Natural and Organic Soy Foods Industry



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**THE CORNUCOPIA INSTITUTE** is engaged in research and educational activities supporting the ecological principles and economic wisdom underlying sustainable and organic agriculture. Through research and investigations on agricultural and food issues, The Cornucopia Institute provides needed information to family farmers, consumers, stakeholders involved in the good food movement, and the media.

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