

**Testimony of  
Austin DeCoster and Peter DeCoster  
before the  
Subcommittee on Oversight and Investigations  
Committee on Energy and Commerce  
U.S. House of Representatives  
September 22, 2010**

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Mr. Chairman and Members of the Committee, thank you for the opportunity to testify. My name is Austin DeCoster. I go by Jack. My son, Peter, and I are here to answer your questions.

We were horrified to learn that our eggs may have made people sick. We apologize to every one who may have been sickened by eating our eggs. I pray several times each day for all of them and for their improved health.

For generations, our family has been producing eggs, and I have spent my life as a chicken farmer. I've been blessed to be able to work with my sons on our farms as well. Over the years, we have grown to be pretty big in producing eggs. Unfortunately, we got big quite a while before we stopped acting like we were small. What I mean by that is we were big before we started adopting sophisticated procedures to be sure we met all of the government requirements. While we were big, but still acting like we were small, we got into trouble with government requirements several times. I am sorry for those failings. I accept responsibility for those mistakes in our operations.

Eventually, I realized that, to put those problems behind us, we would have to become very good at meeting all of the government requirements. So, for about 10 years now, we have been focused on doing just that, and we are moving forward. We have put in place effective employee training systems, additional monitoring, and control procedures to assure compliance with government requirements. When necessary, we hire top experts to be sure the procedures are right. Also, in critical areas, including reduction of Salmonella Enteritidis, we have been going beyond government requirements in an effort to improve our operations. With all of these systems, we have made important strides, and I am proud of our work. Still, these challenges never stop.

Mr. Chairman, my name is Peter DeCoster. I am the Chief Operating Officer for Wright County Egg of Galt, Iowa. In other words, I run the Wright County Egg farms.

As my father said, we are terribly sorry that our eggs may have made people sick. My family regularly eats Wright County eggs. To the best of my knowledge, the families of all the Wright County Egg employees regularly eat Wright County eggs. As a father, as a food producer, and as the leader of Wright County Egg, only wholesome, safe eggs are acceptable.

While we always believed we were doing the right thing, it is now very clear that we must do more. We cannot and will not provide eggs for our customers until we have every internal and external reassurance that those eggs are safe and free from disease. We have learned from this experience that there is much to be done on our farms and in our on-farm protocols to restore confidence in our regulators and customers about our operations.

## **WRIGHT COUNTY EGG OPERATIONS**

To assist the Committee's investigation, permit me to begin with a short overview of Wright County Egg farming operations in Iowa.

350 people are employed at our Iowa farms. Wright County Egg pays taxes of nearly \$1 million annually, and we proudly support community and charitable interests. Our employees are active, engaged citizens – which is a direct reflection of the values of our family and of our company.

Wright County Egg began operations in the early 1990s. Today, we have five farms that produce eggs. At those five farms, there are a total of 73 hen laying barns, each about 33,000 square feet in size. Almost all of the barns are two-story structures, with the hens located in the upper part of the barn. In all, Wright County has 5.8 million egg-laying hens. Our farms produce approximately 2.3 million dozen eggs per week, or about 1.4 billion eggs per year.

In addition, Wright County Egg operates the barns at the Hillandale's farm near Alden, Iowa. The Alden farm has 10 barns, with approximately one million laying hens, producing more than 435,000 dozen eggs per week. In some Wright County Egg documents, reference is made to farms or sites numbered 1 through 6. Farm 5 is the Alden, Iowa Hillandale farm. Each of those farms is at a different location. No two farms are less than one mile from another.

For both Wright County and Hillandale's Alden farms, our operations also include separate pullet barns, which are omitted from these descriptions in our effort to make the presentation as relevant and clear as possible.

In addition to our farms, at a separate location, Wright County Egg operates a feed mill, which receives poultry feed ingredients, such as corn, soybean meal, calcium, and other needed ingredients we purchase from suppliers. At our mill, the feed is mixed to meet the nutritional needs of the birds it is intended for and shipped to those birds throughout the week. In May of this year, FDA inspected our feed mill. No deficiencies were cited. Also, we contracted for Evonik to conduct an external audit in March of this year. That was done as part of our review process to assure quality operations. The private audit found no major deficiencies, but made some recommendations, many of which already have been adopted.

Each Wright County Egg farm includes a processing facility where our eggs are washed, sanitized, graded by USDA, and packed into cartons.

Finally, Wright County Egg also operates an egg breaking facility, which is daily inspected daily by USDA's Food Safety and Inspection Service. In that facility, fresh eggs are broken to produce liquid egg products, which are then sent to outside facilities for pasteurization or for use in cooked products.

### **SALMONELLA ENTERITIDIS (SE)**

Some background on Salmonella Enteritidis (SE) and how our egg farms are monitored for the bacteria may also be useful.

Regrettably, SE is a fact of life in the egg industry. That is why all egg cartons bear safe food handling instructions and the FDA Model Code requires that eggs be thoroughly cooked. Historically, the concern was SE contamination from the surface of the egg, particularly through a hairline crack. We believe that improvements in egg safety practices help account for the decline in SE illnesses. In 2009, the rate of Salmonella infection was 11 percent lower than it was just a decade earlier. According to the Centers for Disease Control, the incidence of actual infection of Salmonella occurred in 15 of 100,000 people in 2009.

However, addressing SE contamination that is internal to the egg has been a continuing challenge. The egg industry broadly has been working to control this problem and to find procedures that might enable us to eliminate the problem in the future. SE can exist inside a perfectly normal-appearing hen and the some of the eggs she produces. If

those eggs are eaten raw or undercooked, the bacterium can cause illness. SE may be found inside raw shell eggs, if ovaries of laying hens are infected with SE. Of course, that is what recently happened in our Wright County Egg flocks.

Like everyone else who has been producing eggs for decades, we have fought SE for a long time, and we have not always been successful. Today, we have extensive SE reduction practices that were unknown in previous years.

To protect against SE contamination, our farm follows stringent standards for egg production, processing and transportation to ensure both the quality and the safety of our eggs when they reach our customers. In addition to following food safety guidelines and the new FDA Egg Safety Rules, our farm also established in July of 2009 a voluntary, overall Salmonella Intervention and Risk Reduction Program, which sets specific protocols in the areas of:

- Chicks and breeder flocks
- Biosecurity
- Cleaning and disinfection between flocks
- Pest management
- Vaccination
- Refrigeration

Further, Wright County Egg has been working with two top experts to enhance our bio-security and bird health needs. They provide outside counsel to design effective programs, monitor their performance and make operational refinements as necessary.

- Dr. Maxcy Nolan III, a Ph.D. entomologist with 35 years in the field of agricultural entomology and a recognized authority in all phases of poultry pest management, has played a vital role in development and oversight of our pest control programs. We have tapped his particular expertise in the formulation, preparation and execution of site-specific pest and rodent control plans for egg-laying operations.
- Of particular potential assistance to your investigation, Dr. Charles Hofacre has advised us on bird health matters, particularly including SE reduction activities. Dr. Hofacre is recognized as one of the world's leading authorities in SE control. Dr. Hofacre holds a doctorate in veterinary medicine, a Master's in avian medicine and a PhD in medical microbiology. He has served on two expert panels for the World Health Organization's Food and Agriculture Organization, one on antibiotic resistance and the other on control of salmonella and campylobacter in chickens. This year, Dr. Hofacre received the Poultry Science Association's annual award for his on farm food

safety work. While we are blessed to have the consulting advice of Dr. Hofacre, his full time job is as Professor and Director of Clinical Services at the Department of Population Health, College of Veterinary Medicine, University of Georgia. I appreciate his presence in the hearing room today.

In 2004, our farms started conducting environmental Salmonella and SE testing in our pullet and layer barns. Over the last 2 years, our environmental testing has been conducted regularly. This involves pulling a gauze pad through each row of manure in layer barns and testing of fans, walkways, hallways, etc. in layer and pullet barns. Until July of this year, this environmental testing was not required. We conducted the testing to monitor and adjust operations, particularly including our vaccination program.

To accomplish the exclusion of SE, the birds are vaccinated 4 times and also given a competitive exclusion product one time. Vaccinations for Salmonella work very similar to other vaccinations for disease in humans. Competitive exclusion is the feeding of other “good bacteria” such as those found in yogurt to compete with and replace Salmonella in the gut.

Each pullet is given 2 live Salmonella vaccines as a spray, the first at 3 days of age and then again at 4 weeks of age. The live vaccines given to the pullets provide protection for approximately 4 weeks after each dose and also help to give immunity in the intestines to prevent Salmonella from establishing itself in the intestines.

The chicks also are given the competitive exclusion or probiotic when they first get to the farm. Then at 10 weeks and again at 16 weeks, each hen is picked up and individually injected in their breast muscle with a killed vaccine of SE that has an oil adjuvant. This oil adjuvant will more strongly stimulate their immune response and also act as a slow release of the vaccine so their immune system will make even larger amount of antibodies for a longer period of time. Because it is injected, it stimulates the circulating immune response to put antibodies to SE into the blood stream. The hen then deposits these antibodies into the yolk. This is a natural process since the mother hen does not produce milk with antibodies like mammals; they put the protective antibodies for their chicks into the yolk. We use this natural process to protect against Salmonella that may get into the yolk to help protect the consumer. Every egg has antibodies to SE.

It is accepted in the microbiology and veterinary communities that a positive barn test does not mean that eggs being produced in that barn have SE. A positive test from the environment is not the same as an egg positive test for eggs. SE can exist in an environment – and in fact does exist in many places in the environment at large – without ever getting into our food supply.

Under FDA's Egg Safety Rule that went into effect in July of this year, we follow any environmental SE positive with egg testing. In particular, that was done in July of this year shortly before our recall. The egg results were negative. Experts advise that egg testing is a poor indicator of the presence of SE. Our perception was that egg test results always would be negative.

Our environmental testing for SE was undertaken at our own initiative to monitor for possible SE and to guide our operational activities. As expert advice indicated that egg testing was a poor indicator of the presence of SE, egg testing was not advised or performed as a follow-up to a positive environmental test. There was one occasion when we conducted follow-up egg testing, though it was not advised by our scientific expert. Of course, we initiated follow-up testing in July as required by FDA's new rule. Again, our environmental testing was used to inform and guide our operations, particularly administration of SE vaccinations. Since 2004, we have taken over 3800 various environmental samples for Salmonella.

We performed aggressive environmental testing for SE because we were striving to be alert to signs of SE. Then, we followed expert advice in taking substantial operational actions based on those test results. Any suggestion that we were ignoring SE is inconsistent with our aggressive voluntary environmental testing program and the substantial operational actions we took in response to positive environmental test results.

So, we had an extensive SE reduction program designed to meet all regulatory requirements and go substantially beyond the requirements with additional measures, notably our SE vaccination program.

## **RECALL AND FOOD SAFETY INVESTIGATION**

With all that being said, we were stunned to learn that our eggs appeared to be responsible for an SE disease outbreak.

In early August, our farm was notified by the California Health Department that there was a possible traceback to our Iowa farms. The week of August 9, 2010, we received our first contact from FDA, indicating their participation in a traceback investigation that involved Wright County Egg.

As the epidemiological investigation proceeded, FDA gathered additional information and requested that Wright County Egg undertake a voluntary recall of our eggs. We promptly did so in cooperation with FDA. Our first recall was announced on

August 13, 2010, which involved three of our farms. Then, our second recall was announced on August 18, 2010 and addressed eggs from our other two farms.

As FDA was beginning their review of our records and inspecting our farms, we undertook our own food safety investigation. Our farm voluntarily secured more extensive testing and review procedures of our own. We conducted 894 environmental tests, using both an accredited private lab and the testing lab at Iowa State University. We pulled 70,200 eggs for samples, representing each farm, and sent those for testing at an accredited private laboratory. When the results of those tests became available, they were immediately provided to FDA. These tests confirmed that Wright County Egg was producing eggs contaminated with SE.

After initiation of our recall, a series of FDA inspections occurred, resulting in our farm being cited for several deficiencies. We take those deficiencies very seriously and our team has corrected all deficiencies identified, except for installation of new doors, which have been ordered, but have not yet arrived. The vast majority of those deficiencies were fixed as soon as they were identified.

I also want to note FDA's August 26, 2010, announcement that they had a positive SE test result from a raw ingredient that we had used in our feed. While on our farm, FDA tested the meat and bone meal that had been provided by a third-party supplier as an ingredient for our feed. The ingredient, as all are, was in a separate overhead bin. It was tested by FDA officials prior to being mixed with other ingredients to produce our feed. We had actually stopped using this ingredient in our pullet feed in early July on the advice of Dr. Hofacre and also stopped its use in layer feed in August.

At this time, we cannot be absolutely certain of the root cause of the contamination of eggs we produced. However, the Committee may want to know that we view the most likely root cause of contamination to be meat and bone meal that was an ingredient in our feed.

At this point, I would appreciate projection of the first slide we provided the Committee.

Meat and bone meal is produced at a rendering facility. Part of the production process in rendering involves cooking carcasses to a temperature that would eliminate SE. However, as always in food safety matters, there is potential for re-contamination, either at the rendering facility, in transportation from the rendering facility or, subsequently, after the meat and bone meal is delivered to Wright County Egg. In particular, contaminated meat and bone meal that entered our bin for that ingredient could

have contaminated the bin and the additional meat and bone meal that was subsequently added to the bin.

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Not only is this suspicion consistent with FDA test results, but it also is consistent with the fact that the only Hillandale Farms operation to produce eggs that tested positive for SE contamination was the Alden farm, which received its feed from Wright County Egg's feed mill. So, all of the flocks that have been proven to be a source of this SE outbreak received feed from Wright County Egg's feed mill.

### **WRIGHT COUNTY EGG'S OPERATIONAL CHANGES**

To be sure that this never happens again, we have made sweeping biosecurity and food safety changes on our farms. These measures exceed requirements of FDA's Egg Safety Rule. To continue as a viable supplier in the shell egg market, we recognize that our actions must be comprehensive to regain confidence from the public and those who regulate our farms.

Specific corrective measures we are putting in place address three critical areas:

- 1) How we monitor and prevent SE in our flocks,
- 2) How we prevent cross-contamination and maintain strict biosecurity between barns, and
- 3) How we ensure that our feed and the ingredients that go into it are SE-free and of the highest quality.

Each of these three programs is detailed in our farm's biosecurity plan that we have supplied to the Committee, but I will provide you with a short overview of the key changes we are making in these areas.

In the future, Wright County Egg will only produce eggs from hens that have been vaccinated against SE. To achieve that goal, we have removed from production all flocks that have not been vaccinated since our voluntary vaccination program began in July 2009. We also are removing from production any flocks that have had an SE positive egg test.



Following the removal of these flocks, manure will be removed, barns will be dry-cleaned, and houses will be treated with liquid or fogged formaldehyde to disinfect the barns. We will conduct environmental tests for SE in those barns, according to FDA protocol, and we will ensure negative results before any new flocks are moved into the barns.

We also will do environmental testing of chicks coming into pullet houses to ensure they are SE-free. Any positive flocks will be depopulated.

Major changes are being made in the transitioning of pullet barns from one flock to the next. Each flock will have manure removed, so that barns can be dry-cleaned, disinfected over a three-day period, and then tested for environmental SE prior and confirmed negative before any new pullets are housed.

The farm's outside entomologist will provide monthly inspections and written follow-up reports of the barns where our flocks are raised, effective October 1, 2010. In addition, a licensed third-party pest control professional is being transitioned to cover all layer farms (already in place for two farms), which will follow FDA guidance for standardization of rodent indexing and include rodent indexing requirements to comply with the farms' SE prevention plan. Farms 3 and 4 are already completed; we plan for farms 1 and 2 to be completed by October 1, 2010.

We have addressed concerns about worker transitions between barns at all farms. Ensuring compliance with these new procedures will be included as part of the farms' overall biosecurity monitoring program, and workers will be trained on new procedures. Barn workers will change into new, clean protective gear (coveralls, boots, hats) at the entry to each barn. Foot baths, brushes and hand sanitizers for disinfection have been installed and must be used by all workers entering and leaving a barn. Any barn that tests positive for environmental SE in the future will be isolated from regular farm work.

Feed mill changes are immediate and ongoing. As of August 15, 2010, meat and bone meal has been eliminated from our feed ingredients. The entire mill is being completely cleaned and disinfected. All dust is being blown and swept for removal. All ingredient and finished feed bins are being emptied, cleaned of any residual product and disinfected.

We will hold our ingredient suppliers to new stringent standards of SE prevention. All ingredient suppliers are required to provide a Certificate of Analysis that each lot of ingredients supplied is SE-free. They also are required to conduct weekly sampling and SE testing and notify the feed mill immediately of any positive test results.

Wright County Egg will retain a sample of every incoming load of corn, soybean meal, oyster shell and distillers grain. We will then make a composite sample from the retained samples of each ingredient weekly and submit the composite sample for SE testing. If a positive result is found in any ingredient, that supplier will be notified, and feed it was used in will be removed from farms bins, retained and feed tested for SE. Daily samples of ground corn also will be taken. Samples of finished feed will be taken daily and retained for a period of 30 days.

From the beginning to the end of the feed mill process, 10 dust samples will be taken monthly and submitted for SE testing. Should any of those samples test positive, the finished feed will be tested and additional swabs taken in the positive area. Testing also will be done upstream in the feed process to determine the source of SE introduction.

Each day, feed mill personnel will inspect the lids on all feed bins to assure they are properly secured. Further, this issue will be expressly reviewed in weekly inspections by management personnel not assigned to the feed mill.

Finally, for all of our operations monthly inspections will be performed, documented in writing and reviewed by the farms' management team (which includes me as COO, our director of operations, senior production manager, farm site production manager, and compliance manager) to ensure compliance with FDA's Egg Safety Rules. Of course, Wright County Egg will continue testing for SE consistent with FDA's Egg Safety Rule, as we have since the rule took effect.

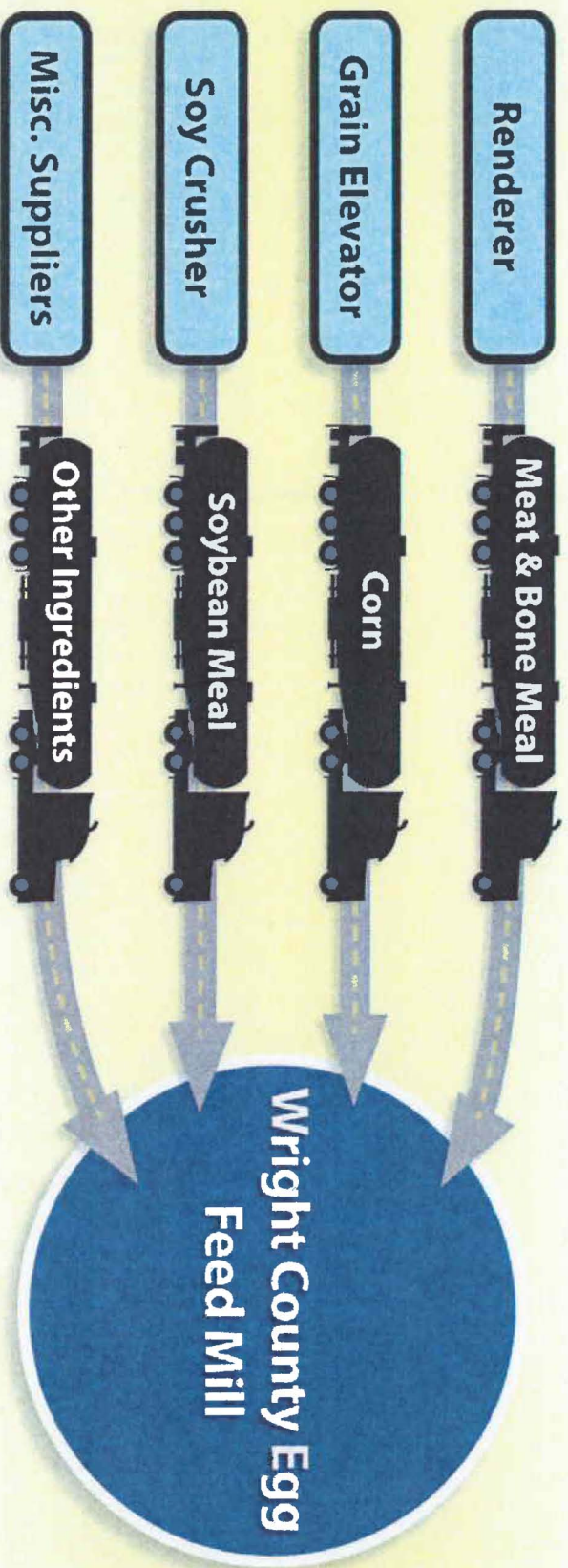
By focusing on our flocks, our feed and our worker biosecurity protocols we intend to demonstrate our commitment to the production of eggs that are high-quality and safe.

Mr. Chairman and Members of the Committee, in what is a very challenging time, we have devoted ourselves to cooperating with your investigation while executing a large recall and assisting with FDA's food safety investigation. We look forward to answering your questions so an accurate understanding of what caused this food borne disease outbreak might be achieved.

Thank you.

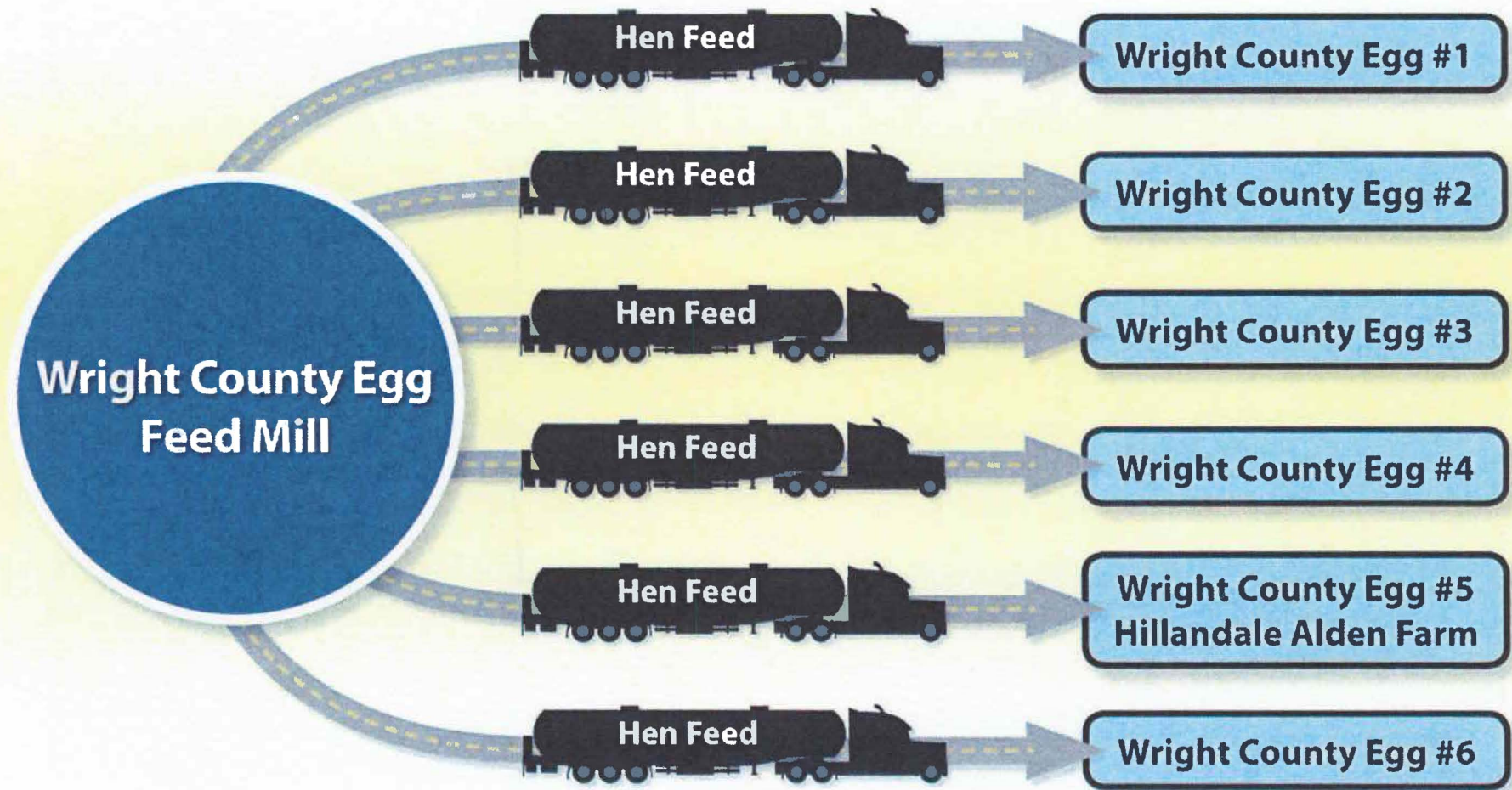
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# Feed Mill Inputs



*All trucking by outside contractors*

# Feed Mill Distribution



*All trucking by outside contractors*

# Typical Barn Layout

