



# 2020 Report



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# Foreword

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**2020 has been a challenging year for the food sector as it is caught – as is much of the world – in a battle between science and economics.**

Impacts have been and continue to be both uneven and uncertain, with yet-to-be determined consequences for the longer term. Companies large and small have reassured us that despite the challenges, animal welfare remains a top priority. 2021 will be a year in which those assurances are tested.

We are at a pivotal moment for broiler chickens in the United States. Studies by the RSPCA, Global Animal Partnership (G.A.P.), and FAI Farms released this year have confirmed and added detail to what scientists have broadly known for some time – industry-standard broiler breeds have poor welfare. This is evidenced by low physical activity and the development of muscle myopathies, resulting in degraded meat quality, reduced mobility, and likely pain over the majority of chickens' lives.



We know we can do better. Better breeds exist and over 180 brands have committed to significantly improving the lives of chickens, inclusive of a commitment to higher welfare breeds. Alongside a lower stocking density, provision of enrichment, and controlled-atmosphere stunning, the science is clear that chickens can be significantly better off.

The counterbalance is the economics. A race to the bottom has made the prospect of charging customers more for chicken challenging, particularly because many customers do not have a well-defined scale of standards and quality chicken, at least compared with beef. Despite this, I remain optimistic in the power of the private sector to overcome challenges through innovation via pre-competitive alignment, competitive pricing and marketing strategies.

At Compassion, we are committed to a better world for people, planet, and animals based on the best science available and seek to support any company that shares that vision. This year's ChickenTrack is intended to be the second installation of an update on the broiler market and science, while also presenting the framework for progress reporting against commitments that we will include in next year's report.

I hope you enjoy the report and I look forward to a year of creativity and progress in 2021.



**Jeff Doyle**  
US Head of Food Business  
Compassion in World Farming

A stylized, handwritten signature in black ink.





# 01 Introduction



# Introduction

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**Over the last few years, more than 180 brands across the food industry have signed up to source higher welfare broiler chicken in the United States.**

These companies have committed to improving the welfare potential of both chickens and the systems in which they are raised, recognizing that these elements work in concert. Together, these components have been labeled the Better Chicken Commitment (BCC) and provide a roadmap for the future of chicken.



## Components of the Better Chicken Commitment

### By 2024,

1. Require a maximum stocking density of 6.0 lbs./sq. ft and prohibit broiler cages.
2. Provide birds enriched environments including litter, lighting, and enrichment that meets Global Animal Partnership's standards.
3. Process chickens in a manner that avoids pre-stun handling and instead utilizes a multi-step controlled-atmosphere processing system that induces an irreversible stun.
4. Demonstrate compliance with all standards via third-party auditing.

### By 2026,

5. Adopt breeds that demonstrate higher welfare outcomes, either: Hubbard JA757, 787, 957, 987, or Norfolk Black; Rambler Ranger, Ranger Classic, or Ranger Gold; or others that meet the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol or Global Animal Partnership (G.A.P.).



While producers and buyers alike have begun to move towards these commitments, progress has been hindered by the economic consequences and uncertainty brought about by COVID-19. In addition to disruptions caused by changes in consumer habits, such as increased demand at retail and corresponding drops across food service, food companies – and particularly producers – have had to manage logistical challenges and negative press on worker safety. While managing these complexities, many companies were also faced with the need to furlough or lay off staff.

Recognizing the unique difficulties of 2020, this year's report will not include individual company tracking. Rather, the report will focus on important market and scientific developments of the last year, provide perspective on pathways forward, and outline a recommended reporting framework for companies in preparation for ChickenTrack 2021.



# 02 The Market





# The Market



## Market Overview

It is almost impossible to reflect on the past year in the food and broiler production industry without acknowledging the effects that COVID-19 has had on companies, consumers, farmers, and broiler chickens.

### Shifts in Buying Patterns and Demand

Retailers faced a surge in demand as the reality of COVID-19 set in and consumers turned to grocery stores to stock up in anticipation of lockdown measures. While some of that demand has leveled off since March and April, retailers are still experiencing high demand relative to pre-pandemic levels as many consumers continue to take precautions and minimize consumption away from home. This shift in demand means many integrators have had to rebalance their offerings, shifting away from cuts popular with food service to those more popular at retail – such as tray packs of cut-up parts and deboned products from heavier broilers.<sup>1</sup>

While retailers are seeing brisk business and quick-service restaurants have been able to stay afloat from increased take-out demand, food service companies have been among the hardest hit as a result of school, event space, and office closures and limited re-openings. Restaurants, especially those without an established take-out business model, have also been one of the hardest hit sectors, with experts estimating that 15% of restaurants in the U.S. could face permanent closure.<sup>2</sup> The National Chicken Council (NCC) estimates that approximately 50% of chicken volume in the U.S. goes towards food service<sup>3</sup>, indicating that demand shifts within the sector will have significant ripple effects.

It is expected that industry profitability will be down as a result of weaker foodservice demand, despite estimates that chicken production should be up by 2% to 3% compared with the previous year.<sup>4</sup> However, these shifts in demand are rippling out to impact factors beyond profitability.

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<sup>1</sup> Jordan, Mark. (2020, September 16). COVID-19 Supply Disruptions Increase Broiler Weights. Retrieved from WattPoultry: <https://www.wattagnet.com/articles/41029-covid-19-supply-disruptions-increase-broiler-weights>

<sup>2</sup> Amelia, Lucas. (2020, September 20). Pandemic Forces a Reckoning for Restaurants Coping with Capacity Limits and New Consumer Habits. Retrieved from CNBC: <https://www.cnbc.com/2020/09/29/coronavirus-pandemic-forces-a-reckoning-for-restaurants-with-capacity-limits.html>

<sup>3</sup> Doughman, Elizabeth. (2020, April 8). COVID-19: Poultry Shifts Production from Foodservice to Retail. Retrieved from WattPoultry: <https://www.wattagnet.com/articles/40020-covid-19-poultry-shifts-production-from-foodservice-to-retail>

<sup>4</sup> Alonzo, Austin. (2020, July 8). COVID-19 Will Define 2020 for the US Poultry Industry. Retrieved from WattPoultry: <https://www.wattagnet.com/articles/40705-covid-19-will-define-2020-for-the-us-poultry-industry>

### Impacts on Broiler Welfare

A combination of factors is creating a surge in bird weights, including an overall drop in demand for smaller birds, and demand shifts are coupled with the direct effects of COVID-19 on processing plant workers and facilities, with more than 10% of total slaughter and processing capacity going offline for several weeks in the spring.<sup>5</sup> As processors either shut down plants to manage outbreaks among employees or reduced slaughtering and processing capacity to employ social distancing measures, more and more broilers were remaining on farm well past their usual slaughter date – and slaughter weight. Reduced slaughtering capacity pushed the average slaughter weight to a record 6.48 lbs in June 2020, compared to an average liveweight of 6.32 lbs at slaughter last year, and it is expected that average weights will continue to climb higher through the end of the year.<sup>6</sup>

This trend towards higher average broiler liveweights has implications for broiler welfare. Recent research has shown the likelihood and intensity at which muscular myopathies and poor welfare outcomes occur with increasing age (Figure 1). As average liveweights rise, it is likely that poor welfare outcomes for broilers are also on the rise. This highlights the lack of resiliency of conventional breeds, where a week or even a few days of additional unplanned growth can lead to poor outcomes and suffering.

In terms of their most extreme effects, processing plant closures have led to mass depopulation of broiler chickens in a number of cases. One and a half million chickens were depopulated in North Carolina due to a lack of processing capacity.<sup>7</sup> Allen Harim, a major integrated poultry processor, depopulated two million chickens due to declining plant worker attendance resulting in a 50% decrease in the normal level of operations.<sup>8</sup>

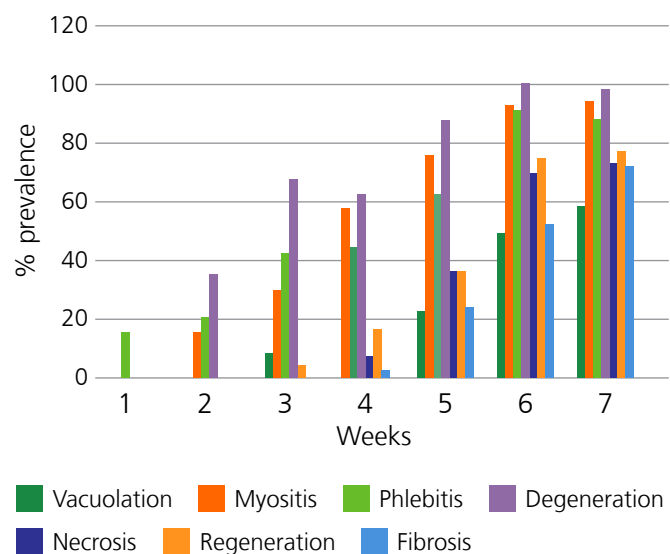


Figure 1. The variety and severity of microscopic muscular lesions to the breast meat characteristic in the development of the breast meat myopathy, wooden (woody) breast, continue to increase as broilers grow heavier with age. (Taken from Papah et al., 2017)

<sup>5</sup> Jordan, Mark. (2020, September 16). COVID-19 Supply Disruptions Increase Broiler Weights. Retrieved from WattPoultry: <https://www.wattagnet.com/articles/41029-covid-19-supply-disruptions-increase-broiler-weights>

<sup>6</sup> Jordan, Mark. (2020, October 22). Broiler Market Summary and Outlook. Leap Market Analytics.

<sup>7</sup> Graber, Roy. (2020, May 27). 1.5 million North Carolina Chickens Depopulated. Retrieved from WattPoultry: <https://www.wattagnet.com/articles/40406-5-million-north-carolina-chickens-depopulated>

<sup>8</sup> Alonzo, Austin. (2020, April 13). Allen Harim Reportedly Depopulating Nearly 2 Million Birds. Retrieved from WattPoultry: <https://www.wattagnet.com/articles/40045-allen-harim-reportedly-depopulating-2-million-birds>

## Methods for and Implications of On-Farm Euthanasia

The World Organization for Animal Health (OIE) – the global intergovernmental body responsible for improving animal health worldwide – has stated:

*“When animals are killed for disease control purposes, methods used should result in immediate death or immediate loss of consciousness lasting until death; when loss of consciousness is not immediate, induction of unconsciousness should be non-aversive or the least aversive possible and should not cause avoidable anxiety, pain, distress or suffering in animals.”*

### OIE Terrestrial Animal Health Code

CHAPTER 7.6. Killing of animals for disease control purposes



In the US, high expansion, nitrogen-based foam (NBF) and whole house gassing are the considered the best available options for large commercial operations compared to ventilation shutdown, which causes the most suffering of all the available methods as it slowly suffocates the birds. However, there is no regulation governing how producers choose to depopulate their flocks and while the American Veterinary Medical Association (AVMA) provides guidance and recommendations on various depopulation methods, it does not prohibit any particular method. Concerningly, one of the AVMA's recommended methods is water-based foam (WBF), which fails to render animals insensitive to pain and can cause distress prior to death. NBF is a more humane option as it displaces oxygen as opposed to blocking airways and causing suffocation, which is the effect of WBF. Despite the clear advantages of NBF over WBF, NBF isn't commercially available in the US and isn't recognized by the AVMA. The AVMA does also still list ventilation shutdown as a back-up method and has not actively advised against it.



It's clear that some farmers have been driven to extremes to manage the downstream effects of COVID-19 on their broiler flocks and, given the limited truly humane options for mass on-farm euthanasia, it's likely that millions of broilers have suffered as a result. The pandemic has highlighted the fragilities of our food system and its lack of resiliency in times of crises. Christine McCracken, Senior Analyst of Animal Protein at Rabobank stressed, "Consumer trust has obviously been damaged in the U.S. and other countries around the world. The industry has been in the news a lot with all the plant closures. Finding ways to build consumer trust should really be top of mind for the poultry industry and throughout the supply chain as we try to reestablish our reputation."<sup>8</sup>

As the industry looks towards the future, that work ahead in rebuilding consumer trust should be bolstered with efforts to meaningfully improve broiler welfare along with genuine efforts to build more resilient systems that can be more adaptive in times of crises.

### **Progress towards the BCC**

While COVID-19 has presented its challenges relating to broiler welfare, encouragingly, producers haven't backtracked on progress that has been made to improve production standards in alignment with the Better Chicken Commitment, and in some areas have continued to advance improved welfare standards, particularly around transitioning to Controlled Atmosphere Stunning (CAS).

Of course, significant work still remains to build sufficient broiler supply to meet BCC standards and demand from over 180 committed brands. Scaling production to BCC standards must be coupled with purchasers increasing their demand as soon as possible. If the market is to make a successful transition to higher welfare broiler chickens, the cost of transitioning cannot be borne by producers alone, which means purchasers should be engaging with suppliers now to develop roadmaps and plans for converting supply over to BCC standards.

As we continue to adjust and cope with an ongoing pandemic, it's important that companies stand by their public commitments. Consumer interest in corporate transparency and social issues will only strengthen coming out of a global crisis that has highlighted the weaknesses in our animal agriculture systems. While significant progress against the BCC may not have been made this year, there are positive indicators from producers that animal welfare remains an important focus. As we move into the future, it will be critical for purchasers to engage with these suppliers and others who may not have yet begun making changes to drive timely movement towards higher welfare standards.

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<sup>8</sup> Doughman, Elizabeth. (2020, June 15). McCracken: Chicken Brands Need to Rebuild Trust After COVID-19. Retrieved from WattPoultry: <https://www.wattagnet.com/articles/40546-mccracken-chicken-brands-need-to-rebuild-trust-after-covid-19>



### Perdue

- One third of chickens are raised at less than 6lbs./sq. ft and over 50% are raised at less than 6.5 lbs./sq. ft
- Roughly 700-800 houses now have enrichments
- Reinforced commitment to transition to 100% CAS stunning; one operational system in Milford, DE, on track to select another system by mid-2021
- 25% of production is "free range," which includes access to pasture during the day and enrichments



### Wayne Farms

- Has 32 G.A.P. rated and certified facilities
- One operational CAS system in Enterprise, AL
- Developed BCC-aligned NAKED TRUTH line



### Tyson

- Reported two operational CAS systems and plans to install four more systems over the next four years

# Research Update





# Research Update



## Determining higher welfare breeds of broiler chickens

Breed is a fundamental component of the Better Chicken Commitment (BCC). Using strains of meat chickens that demonstrate higher welfare outcomes ensures that birds reared under commercial conditions can fully benefit from greater space allowances and enriched, well-managed environments as they grow. In the past year, several new studies have added significant knowledge to the existing scientific literature on the health and welfare of different breeds of broiler chickens. The overarching results are not surprising: over the last several decades, broilers have been bred to grow as quickly as possible to maximize breast meat yields and feed efficiency. However, the new research shows that, in pursuit of breeding these efficient, fast-growing chickens, these efforts have made an unintended and unfortunate tradeoff with their welfare.

Across various measurements of physical health, meat quality, and behavioral capacity, the conclusion is the same – the current industry standard commercial broiler breeds have poorer welfare outcomes than slower-growing breeds selected for better health and welfare. These studies highlight that future breeding efforts should focus on producing balanced broiler chickens that have important welfare outcome traits prioritized alongside performance.

Summaries of the newly released research on the welfare potential of different broiler breeds are provided below. In these studies, the standard industry breeds are referred to as ‘conventional’ breeds.

## G.A.P.'s Better Chicken Project

In September 2020, G.A.P. released the initial summary report from a sponsored broiler breed study overseen by the University of Guelph entitled '[In Pursuit of a Better Broiler](#)'. This two-year project represents the most comprehensive study to date on the impact of breed on chicken welfare with an evaluation of 16 currently-available breeds, including the most widely-used strains in today's standard commercial operations. The breeds were divided into categories to determine the individual and combined effects of growth rate, breast meat yield, body weight, and age on a range of animal-based welfare outcomes, such as leg health, anatomy, physiology, and behavior – as well as measures important for commercial consideration, such as meat quality and yield. The research findings demonstrate that even under carefully managed experimental conditions, the conventional breeds selected for fast growth and high breast meat yield have poor welfare outcomes, including:



### Lower activity levels, with the conventional breeds spending more time sitting inactive, as measured by both accelerometers and behavioral observations

- Even as young as 4 weeks of age, conventional birds stood (3.6%) and walked (2%) less, and spent more time sitting (10.6%) than the slower-growing breeds.
- Fewer conventional birds engaged with the provided enrichments at 4 (23% of birds) and 6 weeks of age (20%) in contrast to any of the slower-growing breed categories (4-week average: 29%, 6-week average: 24.5% of birds).

### Reduced mobility due to physical incapacity, not reduced motivation to stay standing or move

- Conventional birds were unable to stay standing as long to avoid an aversive experience (i.e., sitting down in water in the latency to lie test) than the slower-growing breeds when weighing close to 7 lbs.
- In the group obstacle test, following a period of deprivation, the conventional birds moved over a physical obstacle less often to access the feeder even though these breeds consumed the most feed daily.

**A greater incidence of painful lesions to their foot pads and hocks – even when lighter on average and two weeks younger than the slower-growing breeds**

- At the first measurement point (target weight 1, TW1), conventional breeds were lighter on average and more affected by foot pad dermatitis (FPD) with 78% of birds showing lesions overall compared to 37-57% of older and heavier slower-growing breeds.
- At a second target weight of ~7 lb (TW2), more than three quarters of conventional birds had FPD lesions, while the incidence of FPD dropped to 30-50% in the slower-growing breed categories. At TW2, 18% of conventional birds also had severe FPD whereas only 3-6% of slower-growing birds had severe lesions.

**Unbalanced cardiopulmonary function, with 5-18% heavier hearts but 3-14% lighter lungs relative to body weight**

- Birds from conventional breeds may struggle to provide enough oxygenated blood to support both their normal body functions and rapid tissue growth, resulting in tissue degeneration and birds feeling breathless – especially when active.

**Greater damage to their muscle tissue, which is both a welfare and meat quality issue**

- Conventional breeds had over 50% higher levels of circulating biochemical markers of muscle cell breakdown (aspartate transaminase, creatine kinase, and lactate dehydrogenase) than the slower-growing strains.
- The conventional breeds had more and a greater severity of wooden breast and white striping in the breast meat than any of the slower-growing breed categories – even when two weeks younger than the other breeds at both TW1 and TW2 (Figure 2). At the first target weight, 54% of conventional birds showed some degree of wooden breast with 31% classified as severe, which increased to 77% of conventional birds affected overall with 64% graded as severe at the second target weight of an average 7 lb body weight (TW2). In contrast, the overall incidence of wooden breast ranged from 6-36% in the slower-growing breeds and 0-23% severe cases, increasing to 12-40% of at TW2 with 3-24% cases considered severe.
- Breast meat myopathies affect meat quality and result in lower quality, downgraded, or discarded breast filets and can also negatively impact bird welfare. For instance, wooden breast-affected broilers show a higher incidence of lung disease, greater mortality, reduced wing and leg mobility, and chronic tissue degeneration as early as 2 weeks of age.



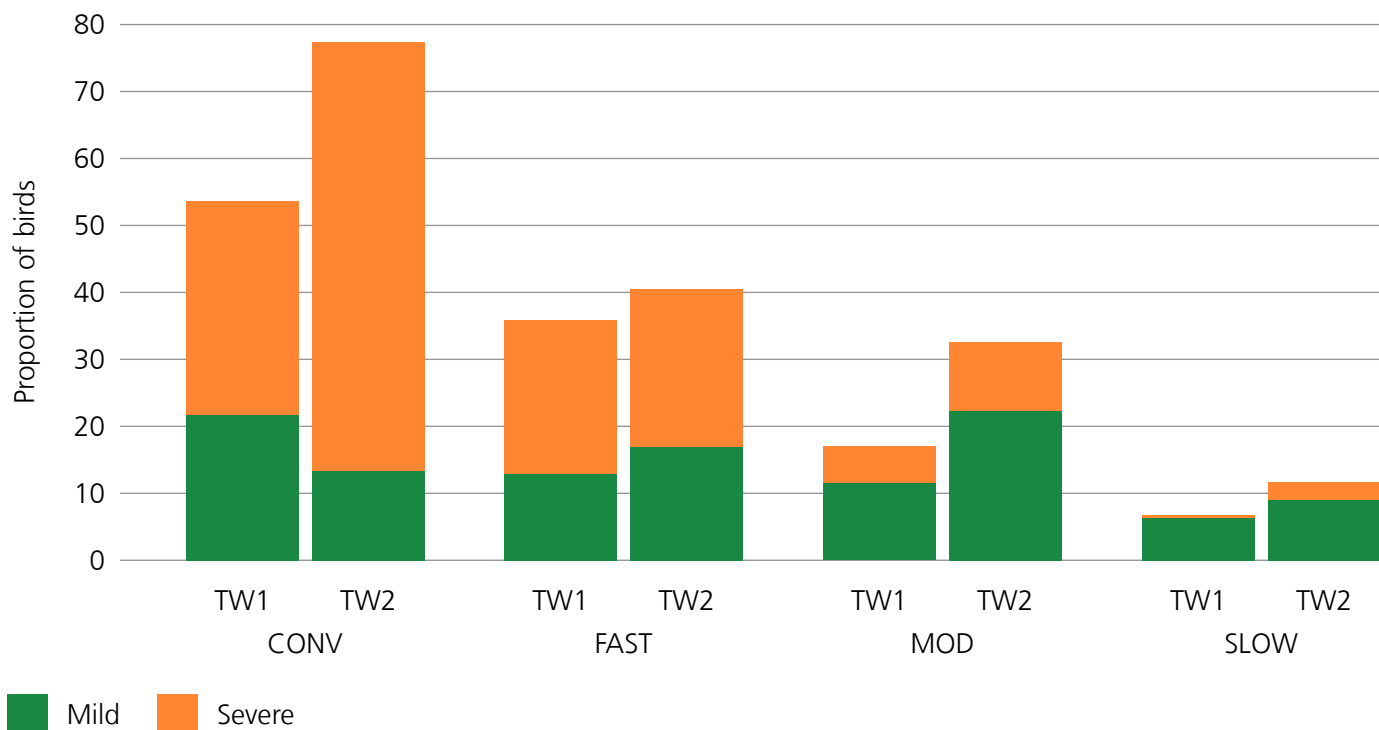


Figure 2. The incidence and severity of wooden breast lesions for each of the different breeds categorized by growth rates at two target weights: 4.6 (TW1) and ~7 lbs (TW2).

A more comprehensive discussion of the project's methodology, results, and future implications can be found in our [Assessment of the University of Guelph Breed Study Initial Findings](#).

Moving forward, G.A.P. is now assembling a multi-stakeholder technical working group to develop an assessment protocol of welfare outcomes and the respective thresholds for determining a breed's welfare status. The tested strains will be run through the protocol to decide which will be included and accepted within the G.A.P. program for release in the upcoming months. The remaining results from the study will be released by the University of Guelph in peer-reviewed scientific journals.

### The RSPCA's Eat. Sit. Suffer. Repeat. Study

In early 2020, the RSPCA released '[Eat. Sit. Suffer. Repeat. The Life of a Typical Meat Chicken](#)', comparing the health, welfare, and production outcomes of the slower-growing control breed for RSPCA's higher welfare assessment scheme, the Hubbard JA757, with three conventional breeds comprising the majority of broilers reared globally in standard intensive production: the Cobb 500, Ross 308, and Hubbard Flex. The results from the commissioned study, carried out independently by the Scottish Rural College, showed selective breeding primarily for performance traits has come at the cost of a life worth living for these conventional strains. In comparison to the slower-growing breeds, the conventional strains had:

### **Higher mortalities, including more culls of lame birds**

- Overall mortality was twice as high in two of the conventional breeds, A and B (11%), compared to the slower-growing breed (5%).
- Culls declined in the slower-growing breed after the first two weeks, whereas the conventional breeds had higher cull rates from 3 weeks of age until slaughter.

### **Poorer physical condition with dirtier feathers, more painful hock lesions, and significantly more birds that walked with difficulty**

- 26–38% of the conventional birds had an observable gait defect (gait score  $\geq 3$ ) compared to 11% of the slower-growing breed.
- These health deteriorations are also linked to poor litter quality, and the conventional breeds required roughly 67% more litter to maintain a dry, friable littered floor condition.

### **Much lower activity levels with very little expression of perching or comfort behaviors over time, which suggests fewer opportunities for positive, pleasurable experiences for these conventional breeds as they age**

- Standing declined by 50% in conventional breeds between 2 (10%) and 5 weeks of age (<5%) and these birds decreased their time spent walking from 5% (day 9) to 1% (5 weeks of age). In contrast, the slower-growing breed spent around 13% of their time walking and standing at 5 weeks of age. By this age, the conventional breed chickens sat 71-74% of the time in contrast to 51% for the slower-growing birds.
- The conventional breeds spent very little time perching, peaking at 3% at 2 weeks of age and declining over time (<1%) as these birds were observed attempting to perch, but were unable to balance. Perching in the slow-growing breed increased consistently as birds aged, peaking at 12% at 4 weeks (Figure 3).

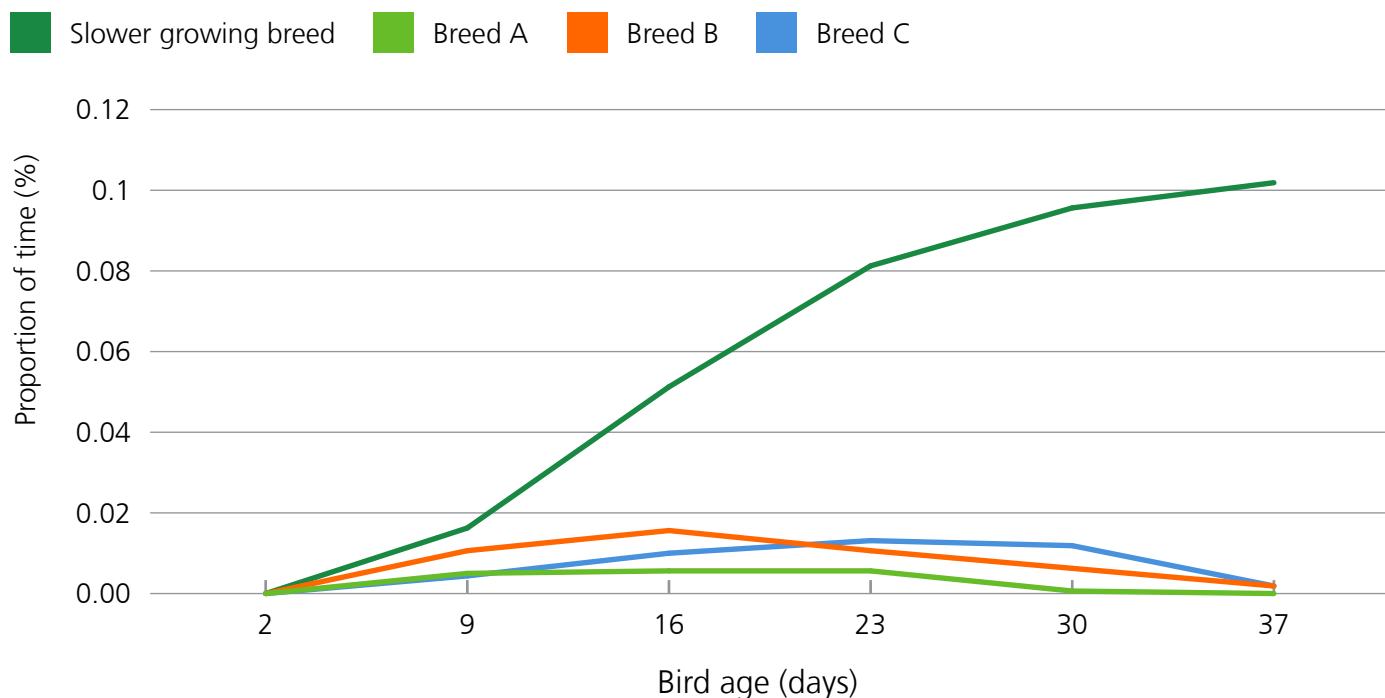


Figure 3. (a) The average amount of time each breed spent perching from two to 37 days of age. Breeds A-C are the three conventional strains.

**Poorer quality breast meat, which negatively impacts bird welfare and can result in monetary losses from downgrading**

- Wooden breast and moderate-to-severe white striping were found in the breast meat of 3-23% and 67-82% of conventional breeds, whereas less than 1% and 10% of the slower-growing birds had these myopathies when slaughtered weighing an average of five lbs.

Further detail and analysis of the study can be found on our main food business [news page](#). In addition, the completed study is also now available as a [peer-reviewed scientific article](#).



Figure 3. (b) An image from the RSPCA study of several broilers from the slower-growing breed, the JA757, perching at 4 weeks of age.

## Commercial Research by FAI Farms and Partners Shows Slow-Growing Broilers Have Higher Welfare

This large-scale commercial study, completed in conjunction with the Farm Animal Initiative (FAI) Farms, the University of Bristol, and The Norwegian University of Life Sciences, compared the health and welfare of meat chickens reared under four treatments that had varying breed growth rates and planned final stocking densities. The conventional breed grew ~58 grams per day, whereas the slow-growing breeds averaged 44-47 grams. All broilers were housed in enriched commercial-scale barns with an average of 12,600 birds stocked at a density of either 6 or 7 lbs./sq. ft and each treatment was replicated over four production cycles. In contrast to the two slower-growing commercial strains, the conventional breed had poorer health and welfare outcomes, which included:

### Higher mortality and 2.2-9.6 times more carcass rejections at slaughter, representing losses to both broiler welfare and economic return for producers

- The conventional breed had a higher overall mortality (6.2%) than the slower growing breeds (average total mortality: 2.1-2.6%).

### Worse leg health, which was partially impacted by the poorer litter quality in barns housing the conventional breed

- 16.25% of conventional broilers had a gait score of 3 or more – meaning an obvious to severe impairment impacting the bird's ability to walk – in comparison to 0.5-3.5% of the slower-growing breeds.

- The incidence of foot pad dermatitis and hock burn ranged from 0-0.5% and 12.4-18.1% in the slow-growing breeds, while 7.3% and 26.7% of the conventional breeds had lesions on their foot pads and hocks.

### Lower levels of behavior signifying positive welfare, including play and the use of enrichments, likely impeded by the poorer physical health of the conventional breed

- Conventional birds spent significantly less time ground scratching, engaging in play behavior, and sitting on top of the straw bales that were provided as enrichment, compared to any of the slower-growing breeds.
- In contrast to the more 'happy/active' slower-growing strains, chickens from the conventional breed were more often scored as 'flat/stressed' by a validated qualitative behavioral assessment protocol.

The authors concluded that, in commercial production, the greatest improvements to the health and welfare of broiler chickens can be achieved by moving away from the conventional, faster-growing breeds. The full peer-reviewed study is available online from Scientific Reports.



# 04 Broiler Welfare Reporting Framework



# Broiler Welfare Reporting Framework

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To set companies up for transparently reporting progress against their Better Chicken Commitment or European Chicken Commitment next year, Compassion has laid out a reporting framework for ChickenTrack 2021, in which we will capture progress for the first time. Companies that have publicly pledged to transition 100% of their broiler supply chains to aligned standards are being asked to report in one of two ways:



1) Publicly disclose the proportion (%) of chicken within your supply chain, in terms of volume purchased, that currently meets each individual criterion of the BCC/ECC.

Using this first approach, companies should publicly disclose individual progress figures for stocking density, breed, environmental enrichments, CAS, and third-party auditing. If desired, progress towards meeting the standards for environmental enrichments can be broken out further into separate figures for lighting and enrichments. In the US, note that we do not necessarily expect reporting against the breed component ahead of our 2021 report. Given that G.A.P.'s determination of acceptable higher welfare breeds is pending, it is unlikely that many companies have made progress toward this part of the commitment.

Sample Disclosure:

"We have a commitment to source 100% chicken that meets the Better Chicken Commitment by [DATE]. As of June 2021, x% of the chicken we purchase in the US meets the stocking density standard, x% meets the breed standard, x% meets the environmental enrichments standard, x% meets the CAS standard, and each criteria is fully audited by [COMPANY NAME]."

Demo Tracker Display:

Criterion	Sub-criterion	Specification	Progress	Progress That Is Third-party Audited
Breed		RSPCA approved	0%	None
Stocking Density		6 lbs./sq. ft	20%	None
Environmental Enrichments	Lighting		0%	None
	Enrichments		50%	None
CAS			25%	None

2) Publicly disclose the proportion (%) of chicken within your supply chain, in terms of volume purchased, that currently meets the BCC/ECC criteria overall.

Using this second approach, companies should publicly disclose a single figure that represents their progress towards all BCC/ECC standards. For example, if a company only sources a product that is aligned to the BCC across every criteria, progress can be represented in a single figure. A company should not use this method if one of the criteria is unfulfilled, unless it is explicitly clarified which criteria are excluded.

Sample Disclosure:

“We have a commitment to source 100% chicken that meets the Better Chicken Commitment by [DATE]. As of June 2021, x% of the chicken we purchase in the US meets the BCC standards and is audited by [COMPANY NAME].”

Demo Tracker Display:

Criterion	Sub-criterion	Specification	Progress	Progress That Is Third-party Audited
Breed		G.A.P. approved	20%	All (G.A.P.)
Stocking Density		6 lbs./sq. ft		
Environmental Enrichments	Lighting			
	Enrichments			
CAS				

In both approaches, we ask that companies clarify the scope of their commitment and reporting (e.g. fresh/frozen, processed). Additionally, we ask companies to report whether each criteria is third-party audited and specify the auditor; for ease, we recommend companies report whether “None,” “Partial,” or “All” of the cited progress is audited.

As with our EggTrack report, only data published within the two years prior to July 31st, 2021 will be considered accurate and up to date.

We offer these two methods of reporting because we recognize that companies collect data in a number of different ways. We wish to remove as many barriers to transparent disclosure as possible while also providing a clear and consistent framework for communicating progress.



Outcome	KFC KPI Data Point	2019 Performance
Environmental enrichment	% of supply with natural daylight	52.28%
	% of supply with enrichment (perches, bales, pecking objects)	52.25%
Responsible antibiotic use	Overall use (RUMA target)	21.32 mg/kg
	Use of Antibiotics in first 7-days	4.95 mg/kg
	Use of HPCIA	4.45 mg/kg
Higher welfare breed	% of supply using higher welfare breeds	2.65%
Stocking density	% of supply below 30 kg/m <sup>2</sup>	1%
Welfare outcome measure reporting	Mortality	4%
	Leg culls	0.86%
	Foot pad dermatitis	34.94%
	Hock burn	12.17%
	Breast blister	0.25%
Stunning	% of supply using controlled atmosphere stunning	62%



### KFC UK and Ireland Sample Reporting:

KFC signed up to the Better Chicken Commitment in the UK & Ireland, Germany, the Netherlands, Belgium, and Sweden in summer of 2019. Demonstrating full transparency and commitment to implementation, KFC published an Annual Progress Report on Chicken Welfare for its UK and Ireland supply chains. This report is a strong and exemplary step forward towards higher welfare broilers since KFC reports progress not only on the parameters outlined in the Better Chicken Commitment, but also on additional measures such as welfare outcomes and responsible antibiotic use. For companies at the beginning of their reporting journey, KFC's reporting provides a robust example of what transparent and detailed reporting can look like.

# Creating A Roadmap For Adopting Higher Welfare Chicken



# Creating A Roadmap For Adopting Higher Welfare Chicken

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Adopting higher welfare broiler standards is more complex for purchasers than other welfare improvements, such as the adoption of cage-free eggs. The standards themselves are more diverse, infrastructure is growing but still in the early days, the economics of broilers are more dependent on other purchasers, and the meat itself is different (but better quality).

Because of these complexities, Compassion strongly recommends that companies develop roadmaps for adoption with two key goals: a) identifying unknowns and challenges early on, and b) developing a plan to scale which accounts for infrastructure growth of producers and certifiers, communications plans to create value for consumers, and impacts on balance sheets.



## Identifying Unknowns and Challenges

### Evaluate Current Supply Chain and Alternatives:

Broiler chicken supply chains can be complex, with significantly different welfare standards depending on the product and producer. It is important for purchasers to map the source of all products, then discuss with producers the current standards applied and compare those to the BCC standards. Unfortunately, not all producers respect the conclusions of broiler welfare studies, and if such producers do not begin building the necessary infrastructure soon they will be unable to provide chicken aligned with commitments; others are ready for the change and seeking collaborative purchasers.

### Identify Challenges and Solutions:

Inevitably, there will be challenges to scale which companies will need to overcome. Key considerations include availability of supply, cost, and consumer value.

- **Availability of Supply:** While producers and certifiers are beginning to scale infrastructure aligned with the BCC, it is uneven and sometimes predestined for specific purchasers. As such, it is important to discuss plans for infrastructure growth and, potentially, whether a longer-term contract would ensure supply and lower cost. Adoption of higher welfare breeds is no exception to this need; due to the current low availability of higher welfare breeds in the United States, it will take years to scale flocks and it is unlikely there will be significant available supply on short notice for companies that try to make late-stage changes.
- **Cost:** The welfare improvements of the BCC will likely raise the cost of chicken, but the product will improve and strategic planning can mitigate impact. Opportunities for creativity include 1) the expanded utilization of undervalued cuts, including dark meat (which will increase with higher welfare breeds) and increasing quality while reducing quantity; 2) developing new business collaborations to share cost, such as one company sourcing only white meat and another sourcing only dark, preventing either from bearing the burden of the full cost of infrastructure changes; 3) developing stronger relationships with producers to reduce their economic risk of investing in infrastructure changes.
- **Consumer Value:** While consumers desire improvements to broiler welfare and detest the texture of wooden breast and spaghetti meat, they generally do not have an intricate understanding of welfare and meat quality to inform their purchasing decisions. As such, there is a challenge and market opportunity to create new value for customers – particularly compared to the laggards. Each criteria of the BCC provides an opportunity to tell a compelling story about how a company is making continual progress. Items to play with, more space to roam, healthier genes, increased transparency, and a kinder end – simple and evocative concepts which can be integrated into the overall ethos of a company. As millennials and Gen Z-ers continue to grow in purchasing power, the importance of social issues and transparency for companies grows in stride.



## Developing a Plan to Scale

### Three Pathways to Progress:

Depending on a company's unique supply chain, product, and economic needs, the best-suited strategy will vary – particularly for those utilizing multiple suppliers.

- **Incremental Volumes:** The percent of chicken meeting the full criteria of the BCC is increased year on year, with the potential exception of breed on a delayed timeline. Achieve 50% by 2022, 100% by 2024, and 100% inclusive of breed by 2026.
- **Incremental Standards:** Each criteria of the BCC is tackled in sequence. For example: Achieve compliance against enrichment criteria in 2021, followed by stocking density in 2022, CAS in 2023, third-party auditing by 2024, and breed change by 2026.
- **Mixed Approach:** A mix of incremental volumes and incremental standards, which may be necessary for purchasers utilizing multiple suppliers. For example, if one supplier has a product that is BCC-aligned but cannot provide that product at scale, and another has yet to build sufficient infrastructure but can provide a product which meets two of the criteria (e.g. stocking density and enrichments), both providers can be utilized.

### Getting Started:

- **Pilot:** Whether a manufacturer or food service company, it is important to explore how product and cost differences may impact an offering for consumers. As such, a location- or offering-specific pilot may be a strategic way to get started and better inform scaling strategies.
- **Sourcing Partnerships:** Because the broiler market will not move in unison, it could be economically strategic to intentionally seek out complementary sourcing partners – particularly for companies that do not source whole birds; without such a partnership, a company may pay an inflated price to cover the welfare improvements of the parts of the bird utilized by another company which has not yet adopted by the BCC. Companies can align on regional sourcing, division of cuts (one sources wings and another sources breast meat), adoption of incremental standards, and more.

### Creating Value for Consumers:

While over half of consumers are concerned about broiler welfare – 51% are “extremely” or “very” concerned about “how chickens are raised” per a 2018 National Chicken Council survey – there is not yet broad understanding of alternatives.<sup>9</sup> As such, it could be strategic for companies to differentiate themselves in the market by communicating about the improvements to welfare and meat quality which BCC-aligned chicken provides. Creating increased product value is especially important if any cost will be passed on to consumers.

Developing a roadmap to scale sourcing of chicken that meets the BCC can help identify challenges early on, ensure availability of supply, and mitigate costs. While developing such a roadmap may initially be led by a sustainability-focused team, all parts of the business should be engaged to develop creative product, sourcing, and marketing solutions to ensure economic viability.



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<sup>9</sup> National Chicken Council. (2018, July 24). Survey Shows US Chicken Consumption Remains Strong. Retrieved from National Chicken Council: <https://www.nationalchickencouncil.org/survey-shows-us-chicken-consumption-remains-strong/>

# Looking Forward



# Looking Forward



Despite the market challenges presented by COVID-19, 2020 has been an important year for chicken welfare. Most importantly, landmark studies from the RSPCA, G.A.P., and FAI Farms have confirmed that current industry standard breeds should be replaced by higher welfare alternatives. In addition to the breeds that already meet the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol, in early 2021, G.A.P. will be releasing its own assessment protocol and an initial list of approved breeds that meet it. With that information in hand, companies will be empowered to have better informed discussions with producers about timelines, product specifications, and costs.

As companies work through the particulars of adopting higher welfare breeds, there is the opportunity to focus on scaling elements of the BCC which producers have already begun or have the capability to offer in the near term. Reducing stocking density and providing enrichments can be readily implemented by producers.

While CAS requires new and costly infrastructure, companies are increasingly adopting the technology and it may be prudent to develop a sourcing pipeline soon, as producers are looking to signs from the market on the rate of demand growth; with a wealth of CAS commitments for 2024, there is a risk that a last-minute surge in demand could artificially raise the price and/or make it impossible for purchasers to meet their commitments. Third-party certification organizations also require time to scale personnel infrastructure and companies—particularly those with large and geographically diverse supply chains—need to make a plan for scaled adoption.

2021 will be an important year for broiler welfare. Because of the more complex economics of broilers, it is even more important than in the adoption of cage-free eggs that purchasers and buyers chart an intentional path forward. Earlier movers will be celebrated, and slower ones risk that a late stage surge in demand will make it infeasible to achieve commitments.

**Hopefully, 2021 will be a healthier year – for individuals, businesses, and chickens alike.**



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