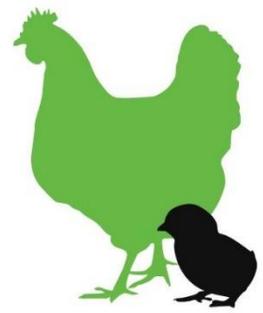


CAGE-FREE EGGS



AND IMPLICATIONS FOR WIC

The past five years have seen significant shifts in the market, retail, and legislative landscape for cage-free (CF) eggs. This document outlines the transition to establish CF as the baseline method of US egg production, as well as the implications for the WIC program.

WHAT DO COMMON EGG LABELS MEAN?

- **Cage-free:** Hens are raised outside of cages with near-unrestricted access to move around the aviary; however, they are given no outdoor access.
- **Free-range:** Hens are raised CF but provided limited access to outdoor areas.
- **USDA Organic:** Hens are raised CF but are provided limited access to outdoor areas, fed organic feed, and never given antibiotics.
- **Pasture-raised:** Hens are raised CF, but primarily outdoors on pasture with access to shelter.

The cost of production, and therefore the markup at retail level, is lowest with CF eggs. However, base-level organic options may be cheaper in some cases.

WHY ARE RETAILERS GOING CAGE-FREE?

In 2015, hundreds of food companies responded to consumer concern about animal welfare by committing to use or sell 100% CF eggs by 2025.

- Nearly all major and midsize retailers, like Walmart, Albertsons, Publix, and Target, have commitments to sell exclusively CF eggs.
- Many of these companies are already transitioning their egg supply chains to meet their public commitments. As of Sept. 2021, Walmart is 18% CF, Kroger is 25%, and Target is 50%.
- Alongside their commitments, retailers must comply with state-level CF legislation.

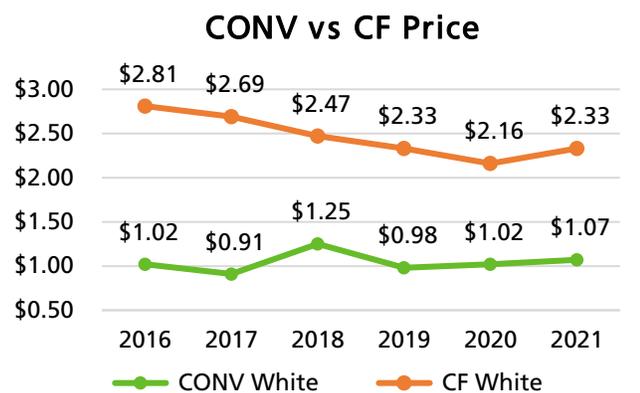
WHAT IS CAGE-FREE LEGISLATION?

Seven states have passed legislation prohibiting the production and sale of eggs from caged systems.

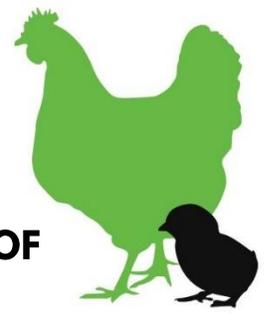
- CA, CO, MA, MI, NV, OR, and WA passed legislation banning both the use of cages by in-state egg producers and the sale of out-of-state eggs raised in cages. These laws take effect between 2022 and 2025.
- All retailers within these states must sell at least CF eggs (free-range, etc., are okay).
- To be compliant, WIC Programs must update their Approved Food Lists by—or ideally, ahead of—the date their state's CF law takes effect.

WHAT ARE THE IMPLICATIONS FOR WIC?

- State WIC programs should be aware of upcoming legislation and corporate commitments, as many retailers that serve WIC recipients will soon no longer sell conventional (CONV) eggs.
- Historically, cost has been the main obstacle to approval of CF eggs; there are no nutritional differences between CONV and CF eggs.
- However, the price of a dozen white CF eggs has decreased by an average of \$0.63, or 22%, in the past five years—as 32% of hens have transitioned to CF housing. CONV egg prices have not changed during this time, indicating that as CF production scales, the price difference will narrow further.
- Given this shift in cost, legislation, and the retailer landscape, Approved Food Lists should be updated swiftly to allow CF eggs.



UPCOMING CAGE-FREE LEGISLATION



THE FOLLOWING STATES WILL NO LONGER ALLOW THE SALE OF CONVENTIONAL EGGS BY:

- COLORADO** – January 1st, 2023
- MICHIGAN** – December 31st, 2024
- NEVADA** – January 1st, 2024
- OREGON** – January 1st, 2024
- WASHINGTON** – January 1st, 2024

UPCOMING VENDOR COMMITMENTS

THE FOLLOWING RETAILERS HAVE MADE PUBLIC COMMITMENTS TO NO LONGER SELL CONVENTIONAL EGGS BY:

- | | |
|------------------------------|--------------------------|
| TARGET – 2025 | PUBLIX – 2026 |
| AHOLD DELHAIZE – 2025 | ALBERTSONS – 2025 |
| WALMART – 2025 | ALDI – 2025 |
| KEY FOOD – 2025 | KROGER – 2025 |

AGENCIES ALLOWING CAGE-FREE EGGS

Key ■ Prohibits cage-free eggs ■ Explicitly allows cage-free ■ Unexplicitly allows cage-free

