

## Statement – Caged Eggs

### Key narrative themes:

- The SPAR Group places priority on animal welfare and sustainability production processes, and where possible, places its sourcing emphasis on products that are proven to be cruelty free.
- The SPAR Group's response to cage free eggs is guided by local government policy, industry guidance on sustainable and safe production processes and supplier production systems that ensures food security for all South Africans as eggs form a critical part of the daily protein intake across all consumers.
- In principle, the Group agrees with other retail players that that laying hens should ultimately all be in cage-free environments that allow them to perform natural and instinctive behaviors. It is important that support and commitment is received from the full value chain, and including producers, the South African Poultry Association (specifically the Egg Association which is a subsidiary of SAPA), other retail players, Non-Governmental Organisations & activist organisations.
- We agree that achieving 100% cage free eggs by 2025 is unrealistic considering both the financial challenges and the need to change producer mindsets. We support all efforts to practically introduce egg production system that will prioritises the welfare of hens. From a retailer point of view, achieving a cage-free commitment on egg production is a process, and not an event, and that process has been underway for a sometime now.
- The SPAR Group has been engaging egg producers in South Africa and been working closely with other role-players in the retailer industry and the value chain players, to ensure a well-coordinated effort which will result in minimum disruption to the local market and no negative impact on the country's food security.
- The Group believes that all decision making around egg production methods should be led by prioritising animal welfare be guided by scientific and ethical evidence.

The SPAR Group in South Africa is continuing with constructive engagements with stakeholders in the retail sector, the poultry industry and concerned animal welfare NGO's addressing the complex, but important issue of cage free egg production system in the country. The engagements, which involves other key retailers in the country and egg producer representatives, will hopefully lead to the development of a framework that will encourage the poultry industry to transition to a cage free egg production system in the medium term, whilst ensuring the wide access of this protein to the whole population.

The SPAR Group notes with concern comments by some parties or NGOs pushing for a 100% commitment on sourcing cage free eggs in its stores by 2025. The Group is supportive of an orderly transition process to be guided by an industry wide investment plans.

“Moving to a cage free production system is a delicate process of which the SPAR Group cannot take a unilateral decision as our plans have to be aligned to the poultry industry plans. The Moss Group has been working with all retailers, suppliers and non-governmental stakeholders to bring in a harmonious process which will not threaten food security through misaligned retailer demand versus market supply capabilities. The Moss Group’s process will ensure that the entire system transition to cage-free system and the adoption of animal welfare standards resulting in real transformation across our supply chain,” says Kevin O Brein.

The SPAR Group supports a sector wide transition process (as coordinated by the Moss Group) which will minimise impact on producers, especially small scale farmers whether they are part of the Group’s formal ESD programme or not. Hurried transition process will have negative impact on small scale farmers because the move will require financial investment. The move could also threaten food security and job opportunities in local communities.

“The SPAR rural hub programme is a collaboration between small-scale farmers, communities and retailers to improve food security, affordability and nutrition for rural communities in South Africa. We inspire people to do and be more by addressing real South African challenges, including food security, nutrition, job creation and transformation. If a retailer such as SPAR is to abruptly introduce stringent cage free production requirements on these small-scale farmers, we are likely to negatively impact a large number of these operations as the investment required might be prohibitive to small scale operators,” says Brett Botten, SPAR Group CEO.

END

### **Question and Answers**

**Is the SPAR Group concerned about the current discussion on caged eggs production system versus free range egg production processes or cage free?**

Yes, we have been involved in engagements with various sector stakeholders for some time on a probable transition period. However, this discussion must be informed by facts and practical alternatives which will be comfortably implemented by the poultry industry and would not impact on food security and livelihoods of people in the industry, more so small-scale farmers who are mostly from previously disadvantaged communities.

In the just transition period, as retailers, we should ensure that animal welfare is managed in a manner that is acceptable as per the poultry industry standards, meets health and safety and consumer expectations.

**What is the SPAR Group policy on animal welfare, and does this policy include proper and responsible chicken and egg production?**

We place animal welfare at the top of our priority list. Our business is supported by a network of suppliers and service providers, from major food producers to small farmers, to a range of service providers. We rely on these third-party service providers always meeting their commitment to us. **[DO WE DO AUDITS? WE COULD SAY SOMETHING HERE]**

**What is the SPAR Group's view on ongoing efforts by the South African Bureau of Standards (SABS) to develop a domestic chicken welfare standard, referred to as the SANS 1758:201X?**

SPAR is committed to support all efforts by the industry bodies to ensure that all animal welfare is considered.

**The European Commission has announced the phasing out of caged farming by 2027. Should SPAR be pushing the South African industry towards similar commitments?**

*[\*The European Commission announced on Wednesday, 30 June, that it proposed legislation for the phase-out of caged farming throughout Europe by as early as 2027.]*

The SPAR Group believes that current efforts as coordinated by the Moss Group will result in globally (all parties agreeing) accepted commitments that are supported by the requisite investments, and safeguards for both big and small players in the production system.

**What considerations is the SPAR Group looking at in approaching the Caged Egg discussion?**

We believe in a balanced and fact-based approach that will ensure sustainable supply of this critical protein into the future, whilst ensuring that consumers continue to receive cost competitive products. The transition should also not disadvantage small scale farmers as more investment will be required for new facilities and equipment.

**Has the SPAR Group started discussions with its suppliers on achieving free range egg production system?**

Yes, and we are fully committed to walk this journey with our suppliers.