

FAREWAY'S STATEMENT ON CAGE-FREE EGGS

At Fareway, our values include holding family values in the highest regard and demonstrating integrity, fairness and honesty in our relationships with customers, employees, vendors and suppliers. Fareway's values and roots are established in the Heartland where hard work and high standards are the key ingredients to success and where honesty and integrity matter. We are proud of our roots and proud to be a part of communities that share our values.

We are also proud of our partnership with area farmers. These farmers and their families are our neighbors. They work hard. They are honest. They have integrity. They share our mutual high standards to supply only the highest quality of protein, produce, dairy, eggs, and other items to Fareway customers. Midwestern farmers and their families depend on Fareway – and we depend on them.

Which is why when a pro-Vegan animal rights group recently sought to use mainstream and social media to threaten Fareway with a “negative publicity campaign” to force Fareway to offer only cage-free eggs, Fareway thoroughly examined the issue – beginning with the potential adverse impact to area farmers. The United States Department of Agriculture has called the grocery industry's proposed timeline to transition to cage-free eggs “aggressive” and stated that all parties need to work together as it “is clear that America's egg producers face significant capital challenges in converting their operations to make this change, which affects all parts of the supply chain and consumers.” This is common sense. We agree with the USDA that all stakeholders should be engaged in this discussion to address the issues we collectively face. Rash decisions in this environment would risk turning our back on our local farmers and they deserve better.

In addition to understanding the impact to local farmers, there are many additional issues we must address in determining whether to provide only cage-free eggs. We must address the importance of animal welfare. Animal welfare is important to Fareway and we expect it to be important to our suppliers. Any criminal behavior in abusing farm animals clearly falls below this expectation and individuals engaging in such conduct should be prosecuted to the fullest extent permitted by law. Yet, cage-free operations are not the only animal welfare option that should be considered. Cage-free operations are often associated with increased mortality rates and more frequent broken bones among birds. Therefore, we have also begun working with our egg suppliers to determine whether they can become Certified Humane® in their practices. It only makes sense that these alternative practices be explored as the agricultural and grocery industries continue to evolve.

In determining whether to provide only cage-free eggs, we must also address the current lack of supply in cage-free options to feed consumers. According to the USDA, just 10 percent of our country's egg supply is currently produced in cage-free systems.

We must also consider the adverse impact to our price-conscious customers on a limited budget and the inability of those relying on food assistance programs to purchase cage-free eggs as a part of these programs.

Finally, we must consider our commitment to allow our customers the ability to choose what food they purchase.

Fareway currently offers numerous cage-free egg options for its customers and we expect this offering to increase. As we continue to investigate and solve these issues and the egg industry adjusts to market trends, we will move toward providing only cage-free eggs if supported by adequate supply and consumer demand. In doing so, we will continue to engage local farmers, local families struggling to put food on their table, and government officials to ensure eggs – or any other product we offer – meet the needs of our customers. The date of a full transition to solely selling cage-free eggs must be finalized once these issues have been answered. But if the speed of our industry moves as suggested, it appears this could occur by 2025.

Unfortunately, this isn't enough for certain organizations and activists. These entities are demanding that Fareway ignore the needs and demands of its loyal customers and local farmers. Fareway will not be pressured to hastily make changes that are not driven by, and frankly contradict, the best interests of local farmers and our customers' needs.

Animal welfare is important to Fareway and this expectation transcends eggs. We expect our meat, poultry, egg, produce, dairy, and other suppliers to maintain acceptable farming and supply practices that Fareway, and its customers, expect. Over time, animal welfare has evolved and it will continue to do so. Fareway will continue to expect the farming and supply practices of its business partners to evolve. We will continue to work to ensure animal welfare in our supply chain – not just our egg supply chain.

It is important that our customers have an accurate understanding of this issue.