



**Egg & Broiler Chicken Roadmap | August 2024**



*"SFE continues to work alongside Compassion in World Farming and other likeminded organizations to make a positive impact for animals in the K-12 industry."*

- Chef Monty Staggs, CEO SFE

## Update: SFE & K-12 Purchasing Requirements

SFE partners with over 180 K-12 schools in 33 states across the United States.

### Background: FSMC Procurement in K-12 Schools

K-12 school districts outline procurement requirements as a part of their FSMC contract and select partners based on a variety of components, including price (cost), which is required to be the primary criteria. Pricing in K-12 schools is established in year one of the partnership and may or may not change for the length of the five-year partnership. Any change in price is reflective only of the annual CPI increase and cannot be a material change.

In addition to pricing, all foods used in K-12 schools must contain a Child Nutrition (CN) label, which is determined by the United States Department of Agriculture (USDA). Not all chicken producers supply CN label products.

Finally, SFE's supply chain is based upon USDA commodity availability. The USDA does not currently offer BCC compliant chicken as a part of their commodity program. SFE continues to work with manufacturers supplying USDA foods to schools to continue working towards this goal but are ultimately beholden to what is available through commodity vendors for our school districts. Commodity selection, including what type and quality of chicken is part of a district's program, is at the school district's discretion, not SFE.

### Scope of SFE's Broiler Chicken Roadmap

We maintain our commitment to be at 100% BCC compliant. With the above context considered, we continue to focus the scope of this update to include all SFE purchased raw, whole chicken products. This represents 10% of our chicken meat procurement. It does not include product purchased by school districts, the United States Department of Agriculture or processed chicken products, which is the majority of chicken used in schools. We will provide updates annually on our total progress reaching our commitment.

### 2023-2024 Landscape

Over the last year, SFE has begun discussions with suppliers who are prioritizing broiler chicken welfare, and specifically, are aligned with the BCC. These conversations remain ongoing, and at this time, SFE has not identified a supplier who can meet demand, price, product and K-12 regulatory compliance; however, we are confident that over the next year, we will have the ability to move closer to our BCC targets.

### Plant Based Efforts

While outside of the scope of this update, it is important to note that SFE has placed an emphasis on increasing plant-based menu options to support its goal of reducing animal protein purchases over the next several years. These efforts include hosting an annual plant-based culinary training program, increasing its plant-based entree portfolio to over 40 recipes and partnering with plant-based chefs to drive culinary innovation.

# Egg & Broiler Chicken Policies

## Egg Policy

In 2022, SFE switched all shell eggs to cage free. SFE fell short of its goal to transition to cage-free liquid eggs due to market price and availability. SFE aims to transition all liquid eggs to cage-free by the end of the 2024/2025 school year and continues to target 2026 to have all eggs, including eggs used as ingredients, transitioned to cage-free. We continue to work with suppliers, who were greatly impacted by egg shortages in the last year, to identify opportunities to transition eggs used as ingredients to cage-free.



## Chicken Policy

SFE is committed to working with our producers and partners, such as the Humane Society of the U.S. and Compassion in World Farming, to address welfare problems associated with the fast growth of broiler chickens. That is why we are committed to Version 2 of the Better Chicken Commitment for all of our fresh and frozen chicken purchases by December 31, 2028.

## Progress Reporting Timeline

SFE will report annually, by August, on progress made towards achieving these targets via its website.

SFE's current purchasing partners have made limited progress in achieving BCC compliance. SFE has initiated conversations with multiple alternative suppliers and will continue these conversations into 2024/2025 with a commitment to expediting progress.

BCC Component	2022	2023	2024	2025	2026	2027	2028
<b>Cage Free Eggs</b>	100% Shell Eggs			100% Liquid Eggs	100% Ingredients		
<b>Lighting</b>		100%					
<b>Friable Litter</b>		100%					
<b>Enrichments</b>				50%	100%		
<b>Stocking Density</b>		33%	33%	50%	60%	80%	100%
<b>CAS Processing</b>		12%	12%	35%	50%	75%	100%
<b>BCC Approved Breeds</b>				25%	50%	75%	100%
<b>3rd Party Auditing</b>				100%			

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# Progress Timeline

**2023:** 33% of poultry meets space-per-bird requirements and 100% meet natural light and friable litter requirements. 12% of birds processed with controlled atmosphere stunning.

**2024:** 33% of poultry to meet space-per-bird requirements. 12% of birds processed with controlled atmosphere stunning.

**2025:** 50% of poultry meets space per bird requirements. 50% of birds complying with enrichment standards. 35% of birds processed with controlled atmosphere stunning. 25% birds transitioned to BCC approved breeds. 50% of birds meet enrichment requirements. Begin third party auditing. 100% of liquid eggs transitioned to cage free.

**2026:** 60% of poultry meets space per bird requirements. 50% of birds processed with controlled atmosphere stunning. 100% of birds meet enrichment requirements. 50% of birds transitioned to BCC approved breeds. 100% of eggs used as ingredients transitioned to cage-free.

**2027:** 80% of poultry meets space per bird requirements. 75% of birds processed with controlled atmosphere stunning. 75% of birds transitioned to BCC approved breeds.

**2028:** Full compliance with Version 2 of the Better Chicken Commitment for all SFE purchased raw, whole chicken.

## Items of Note

- SFE's primary chicken supplier, who is the primary supplier of chicken to the K-12 industry, has not signed on to the BCC. Alternately, they are party to the National Chicken Commitment (NCC), which does not have the same standards of care as the BCC. As a result, their progress against BCC requirements has been stagnant.
- SFE has initiated conversations with other potential chicken suppliers, who do subscribe to the BCC. These potential companies will need to build into their production a line of K-12 compliant (regulatory, price and availability) BCC friendly options in order for SFE to make expedited progress.
- SFE has committed to expanding its plant-based offerings in an effort to reduce the amount of animal proteins purchased annually.
- SFE works closely with the Humane Society of the U.S. and Compassion in World Farming as well as connects regularly with additional animal welfare organizations to identify potential suppliers, explore alternative solutions and learn from organizational best practices.