



Maintaining retail options in the egg market

*Egg Stakeholders Collaborating
To Preserve Consumer Choice*

In the beginning...

A cross section of grocery retailers and foodservice operators yielded to pressure to make public statements about their future egg purchasing decisions.

Retail Council of Canada position:

- “voluntarily committing to the objective of purchasing cage-free eggs by the end of 2025.”

- These developments were taking place against a background that included:
 - Industry decision to begin phase out of conventional housing.
 - Final stages of the review process leading to the release of the new Code of Practice.

- Retail, restaurant, fast food, foodservice and institutional egg buyers expressed their desire for a better position in the marketplace than “cage-free” commitments.
- Like the activists, we realize this is not mainly a consumer battle. We needed to help develop a business solution and positioning that works for retailers and supporting consumer messaging and transparency (i.e., public trust).

Objectives - Stakeholders

- Support grocery retailers and foodservice providers.
- Work with stakeholders to provide a business solution for their long-term purchasing statements.

Objectives - Consumers

- Proactively tell the real story of egg farming and take back the high-ground on hen welfare.
- Demonstrate the commitment and passion of egg farm families and stakeholder employees.
- Show eggs can be humanely produced in all housing systems in the code.

Definition of Success

- A range of egg choices continues to be available, as determined by consumer preferences, because food system stakeholders understand all types of hen housing provide high-quality care to hens and safe, nutritious and affordable eggs.

The market, the risk, the solution

- Grocery retailers and foodservice operators made future egg purchasing statements but are open/prefer other options.
- Marketing eggs only from alternative housing would increase prices 30% and reduce sales/quotas by an estimated 15 to 25%.
- A business solution is needed to make Code-compliant eggs viable market options.

Collaborative progress to date

- Approaching two years into broad collaborative effort with stakeholders to build a coalition ensuring consumer choice of eggs in the marketplace from all approved hen housing systems.
- Initiated by EFO with national uptake from Egg Farmers of Canada (EFC), all provincial/territorial boards, national and regional graders, Canadian Poultry and Egg Processors Council (CPEPC) and other stakeholders.

Developing the business solution

- The solution involves working closely with graders plus restaurant, fast food and institutional buyers.
- Talking to consumers is essential – but to be successful, it needed to be paired with a business solution.
- What's required is a collective, industry solution with an operational element to fulfill the strategy.

Tactics – a coalition to ensure choice

- Empower retailers, restaurants, fast food operators and institutional users to ensure choice and protect their brands.
- Develop agreement among stakeholders on a terminology to replace “cage-free” in retailer, restaurant and fast food providers’ purchasing statements.

Collaboration is guided by significant consumer research

Consumer Purchase Research

- To quantify consumer purchase motivators to help us work with restaurants, retailers and other egg users.

Message Modelling Research

- To establish effective communications for consumers in language that speaks to them.

Certification messaging research

- Quantitative national research in March 2017
 - sample of 3,000.
- Determine the most effective certification messaging.
- Objectives were to assess consumer response to:
 - » certification logo image concepts
 - » text description of the certification
 - » endorsement language
 - » endorsement organizations

- Certification messaging research fed into the national working group process with EFC and was followed up with national focus group research.
 - five cities across Canada
- One clear choice of name and logo in the approval process of the EFC working group.

Egg Quality Assurance EQA



EQA



AQO

A certification with real meaning

- Significant perception gains with an authentic Canadian “certification” umbrella representing things such as:
 - Welfare/housing (*Animal Care Program*)
 - Food safety (*Start Clean-Stay Clean™*)
 - -----
 - Biosecurity (HACCP)
 - Environment (Environmental Farm Plans)
 - Traceability (stamped eggs)

Creative elements can have a variety of uses

- On carton
- On point-of-purchase materials
- On menus/menu boards
- Print
- Online

Welfare/housing title *Canadian Hen Care Certified* desired as alternative to “cage-free” in statements

Something retail and restaurant brands want to use in their statements....

- “voluntarily committing to the objective of purchasing *Canadian Hen Care Certified* eggs by the end of 2027.”

Progress to date

- Consumer research to choose the most effective messaging.
- Consumer research on the new market positioning to “brand” our excellent on-farm programs.
- Developed detailed engagement plans for a variety of stakeholders, including consumers.

- Launch of section on EFO's website dedicated to hen housing and a new online Q&A portal - these were significant projects and help with the overall project.
- Produced eight on-farm videos, showcasing egg farmers' dedication to animal care in different housing types.
- Hosted three egg farm tours for dietitians and influential food media in conjunction with Farm and Food Care Ontario.

Next steps – the road ahead

- Continuing work on consultation and strategy with graders and other stakeholders.
- Finalizing details of EQA certification.
- Development and testing of EQA creative.
- Development of welfare/housing title and supporting operational details.

- Strategic discussions to plan timing, roll-out plans and agree on roles for building coalition participants before certification (soft) launch.
- Develop marketing and communication resources to support consumer choice.
- EFC approval process complete in February.
- Launch likely mid-year.

Thank you!

Questions and discussion