

06.23.2020

## Making Impact Happen: Accelerating Cage-Free Egg Production in Asia

Being successful in our mission – to help food businesses meet their animal welfare sourcing goals – requires constant innovation. For us this means innovative partnerships and innovative strategies – thinking outside the box to create the solutions we need to generate long-term transformation of supply chains.

We're thrilled to announce our partnership with Impact Alliance, a first of its kind collaboration between leading sustainability standard owners and organizations, including Textile Exchange (leather and cotton), Global Roundtable for Sustainable Beef, Proterra (soy), and Global Food Partners (cage-free eggs). The Alliance helps businesses accelerate their sustainable sourcing goals across key commodities. Our participation in Impact Alliance will be an important tool for our clients and partners who are working to meet their cage-free egg commitments, particularly in challenging Asian markets.

While we continue our traditional services, including working one-on-one with food businesses and providing on-farm support to their suppliers transitioning to higher welfare cage-free systems, with our membership in the Alliance, we can now offer an additional tool to put these cage-free policies into practice.

Through the Alliance, food businesses can purchase cage-free Impact Incentives and participate in Impact Partnerships, which help them advance their cage-free egg commitments, accelerate the production of cage-free eggs, and provide financial incentives to farmers who meet heightened animal welfare standards.



The idea of Incentives has been around for years, modelled after other established credit trading platforms such as RSPO (Roundtable on Sustainable Palm Oil) and RTRS (Roundtable for Responsible Soy). We're now applying the technology and learnings to other commodities, including cage-free eggs.

### Here's how Cage-Free Impact Incentives work:

1. Producers who meet an approved cage-free standard or benchmark receive certificates (Incentives) for the cage-free eggs they produce. One incentive represents 1,000 cage-free eggs.
2. Producers register and sell these certificates on the Impact Alliance cage-free egg platform.
3. Food businesses register on the same platform and purchase these certificates for their total, or a portion of their annual, conventional egg usage. While buyers do not receive physical cage-free eggs in their supply chains, they incentivize the production of cage-free eggs and are able to make a claim of support for cage-free eggs.

We believe the following are some of the most attractive benefits of Cage-Free Impact Incentives:

- **SPEEDY IMPLEMENTATION:** We can avoid the time it would take for food businesses to map their supply chains, gain confidence in new cage-free production systems, and shift to a new producer. Immediately upon purchasing credits, food businesses can start communicating their progress towards cage-free pledges to relevant stakeholders.
- **FLEXIBILITY:** Incentives are not linked to the actual shelf life of the eggs; they can be held for an extended period of time and they can be consolidated on a national/regional level.
- **OPERATIONAL EFFICIENCY:** Food businesses can support cage-free egg production without disturbing existing egg supply chains. There is no need to change egg suppliers or to risk supply chain continuity. Instead, Impact Incentives help to build up the supply of cage-free eggs such that they can eventually link to physical sourcing. Farmers who have put their efforts into ensuring their production meets higher animal welfare standards receive the premium for their cage-free eggs. Rather than paying farmers a premium for animal welfare and then having every stage along the supply chain increase these costs, food businesses can directly support the cage-free farmer with a nominal fee for the transfer of the Incentives. Impact Incentives create the opportunity for all producers (including smallholders) to earn premiums for their animal welfare efforts, regardless of their location or size. This makes Impact Incentives sustainable and inclusive for farmers.
- **STAKEHOLDER ENDORSEMENT:** Impact Incentives are endorsed by major international animal advocacy groups as a means to fulfill corporate cage-free egg commitments.
- **A PATH FORWARD:** Impact Incentives are an important first step towards cage-free egg production because they contribute to the investment in and development of a critical supply of cage-free eggs in developing markets. This provides the infrastructure and a path forward to the eventual physical sourcing of cage-free eggs.

Food businesses also have the option of going one step further – participating in *Impact Partnerships*. Through Impact Partnerships, food businesses directly support the training and infrastructure of their egg producers to transition to cage-free production systems. As the Impact Partnership Program Partner for cage-free eggs, the team of animal scientists and technical experts at Global Food Partners delivers training to farmers and works with the food business to create and communicate its impact story. The goal is that within three years of the Impact Partnership, these cage-free egg farmers are set up to either trade Incentives or directly supply food businesses with physical cage-free eggs.

The unique characteristics of cage-free supply chains in developing markets such as Asia can lead to challenges for food businesses to implement cage-free policies. Through the innovative power of Impact Incentives, food business can now advance their sustainability goals without any interruption in their current supply chains. At the same time, through the Impact Partnership Program, businesses can take the lead in supporting the progress of cage-free egg production globally. We hope you're as excited as we are about the transformational power of Impact Alliance and that you'll join us to drive long-term sustainability in egg production.

To learn more contact [team@globalfoodpartners.com](mailto:team@globalfoodpartners.com) or book a free consultation with our Chief Operating Officer at [this link](#).