Better Chicken Commitment and Chicken Concepts. Background and Status in UK

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the natural choice!

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Hubbard

Background to the discussion today

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1 Background to Concepts

2 BCC Today

3 Sustainability

4 Concept Impacts

5 Comments

1 - Background to concepts

Evolution of ADG and differentiation

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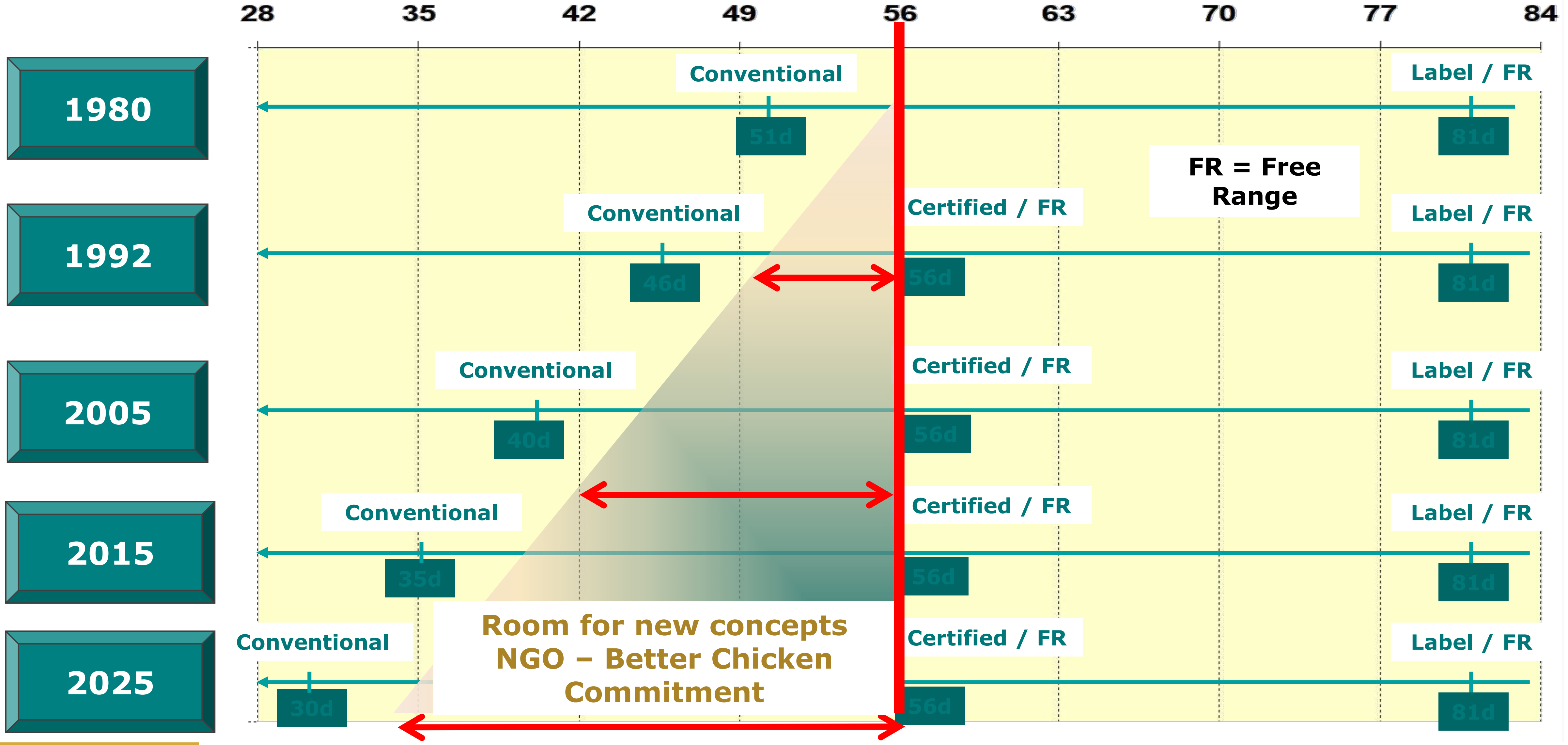

Background – last 10 years UK Concepts

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2011-12	2017/8	2022	2023 – 2025
RSPCA Breed Approval Protocol Welfare outcomes rather than growth rate	Broiler Ask by NGO's Better Chicken Commitment (BCC) European Chicken Commitment (ECC)	First retail implementation of BCC in UK	Many retail Conventional move to 30 kg sq. metre

- Whatever the concept, the UK is increasingly on a path as a higher cost producer (applies to both 30 kg sq. m conventional concept and BCC).
- To maintain sales volumes, value and producer margins we need to be better able to defend UK chicken

Pressure to change standards

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1 – Legal / Compliance – *EU Directive / National law*
Directive 2007/43/EC - Uncertain revision timetable in EU and UK – future baseline

2 - Brand retailer / producer reputation
Retailer / Industry / NGO led assurance schemes

RSPCA ASSURED

RED TRACTOR ENHANCED WELFARE

3 – Investors and corporate reporting
Risk, ESG Reporting, NGO Pressure – BCC

ECC CERTIFIED ANIMAL WELFARE

BETTER CHICKEN

4 – What's next?

ESG = **environmental, social and governance reporting**

What is Better Chicken Commitment

Basic principles:

By 2026 to meet the following requirements for 100%:

- ✓ Comply with **EU animal welfare laws & regulations**, regardless of country of production.
- ✓ Maximum stocking density of **30 kg/m2** or less. Thinning (1x) is discouraged.
- ✓ **Adopt breeds that demonstrate higher welfare outcomes** following the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol.
- ✓ Meet **improved environmental standards** including:
  - At least **50 lux** of light, including **natural light**.
  - At least two metres of usable **perch space**, and two **pecking substrates** per 1,000 birds.
  - No cages or multi-tier systems.
- ✓ Adopt **controlled atmospheric stunning** using inert gas or multi-phase systems, or effective electrical stunning without live inversion.
- ✓ Demonstrate compliance via **third-party auditing** and **annual public reporting on progress**.

Slower and Slow Growing Concepts are not the same. Not just breed.

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- **Indoor Certified: e.g. BCC**
  - Reduced stocking density & slower growing breed
  - No restriction on ADG or minimum age
- **Extensive Indoor: e.g. NL BL 1***
  - Minimum age
  - Reduced stocking density
  - Maximum ADG (in some cases)
- **56-day free range:**
  - Many target weights, but minimum age
- **Traditional**
  - Colour feather, traditional Americas, Asia, S+E Europe
- **Organic**
  - Rear and move systems, ingredient use
- **81-day free range / Label Rouge**

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GROWTH RATE

Use of Slow(er) growing breeds

GROWTH RATE

EACH CONCEPT MAY USE A DIFFERENT BREED, FEED & HOUSING

UK Broiler Concepts

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- **Conventional 38 kg sq. m**
- **Conventional 30 kg sq. m**
- **Indoor Certified: e.g. BCC**
  - Reduced stocking density & slower growing breed
  - No restriction on ADG or minimum age
- **Extensive Indoor**:
  - Minimum age
  - Reduced stocking density
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EACH CONCEPT MAY USE A DIFFERENT BREED, FEED & HOUSING

Several other concepts in Europe

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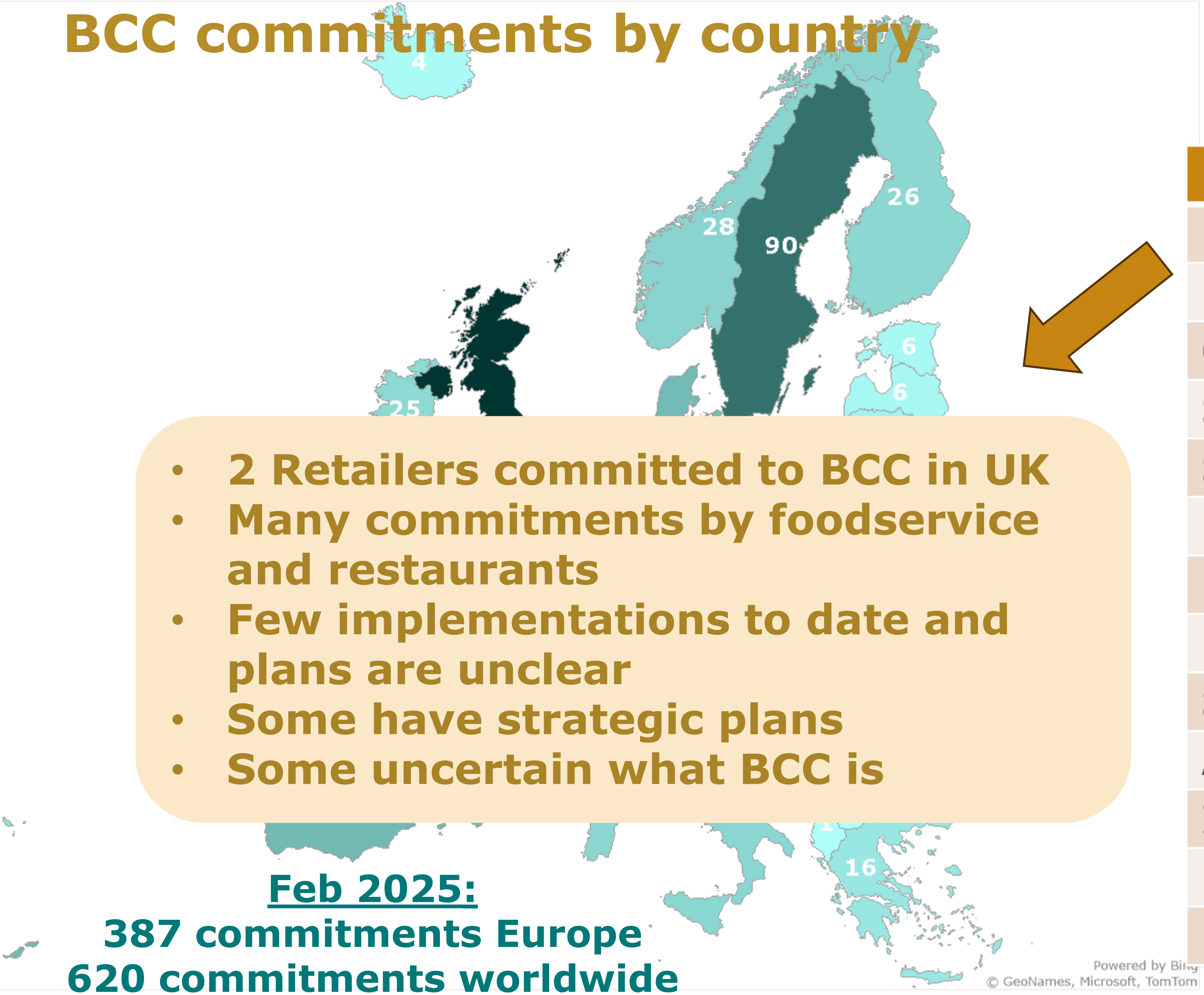
Winter garden – ADG max

FAIRE HALTUNG

2 - BCC Today

BCC commitments by country



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- 2 Retailers committed to BCC in UK
- Many commitments by foodservice and restaurants
- Few implementations to date and plans are unclear
- Some have strategic plans
- Some uncertain what BCC is

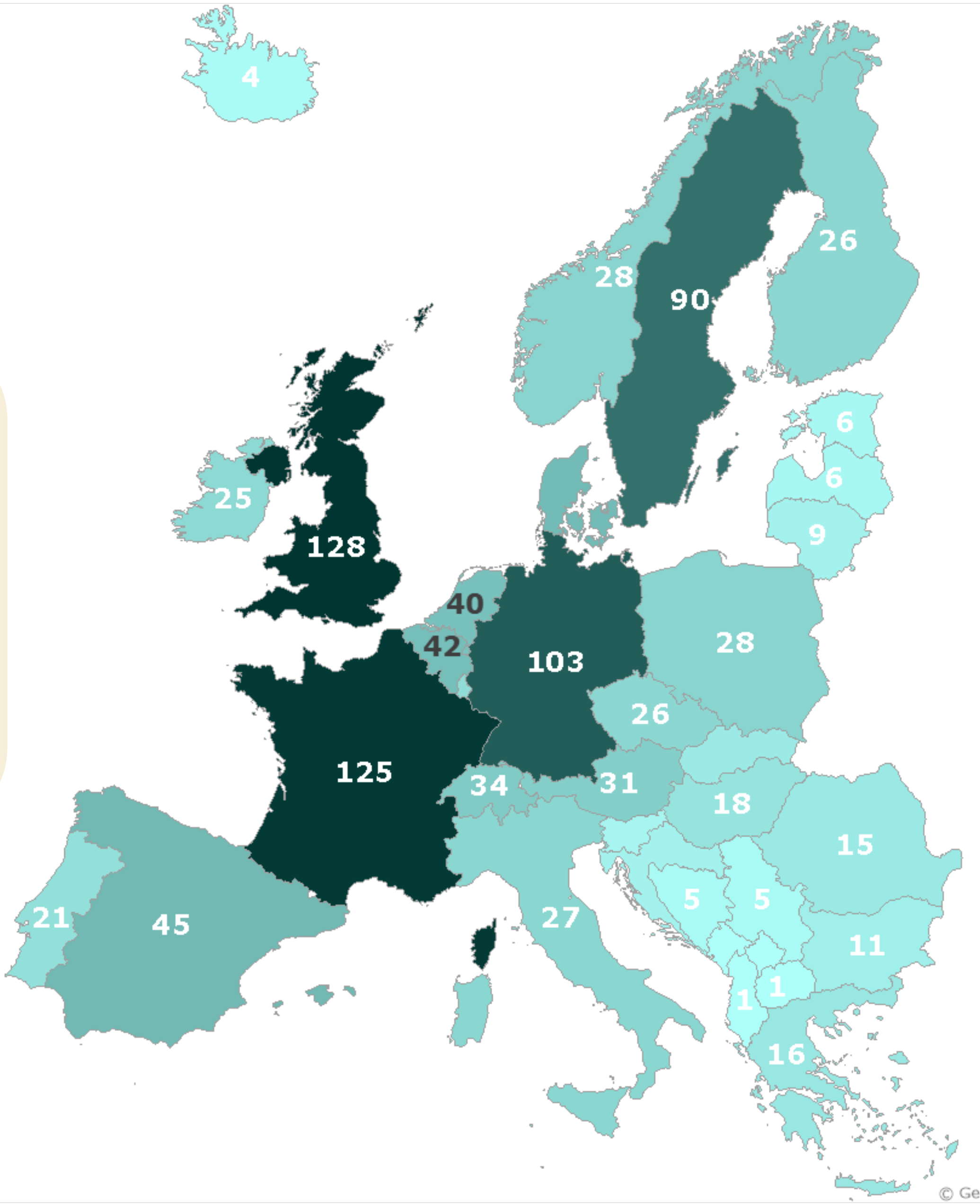
Top 13 in Europe	Commitments
France	129
UK	128
Germany	106
Sweden	92
Spain	47
Denmark	45
Belgium	43
NL	42
Switzerland	36
Austria	33
Italy	30
Norway	30
Poland	29

Feb 2025:
387 commitments Europe
620 commitments worldwide

BCC: In brief

✓ **UK and France are nett importing countries**:

- **Many companies with commitments have existing supply chains are outside the UK**
- **Implementation balance for current BCC commitments in UK depends on which companies implement - Do they already import**
- **Will more retailers commit?**



- Netherlands, Poland for existing fresh products
- Thailand, Brazil for existing frozen/cooked products?

BCC implementation – hurdles UK ?

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Cost of production	*Cost of living vs lifestyle choice debate*
Balancing sustainability metrics	*CO_2 vs NH_3 vs animal welfare vs cost vs many other metrics – how to balance*
Objective data in the public domain to help decision making	
Small number of implementations	*Carcass size and carcass balance challenge - who pays?*
Timescale to implement – 2+ years	

BCC implementation – hurdles?

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Steps to change - set high by NGO's?	*Cost of production increases in one step*
Ask for 100% especially retail	*100% of sales as BCC is hard to achieve – more progressive approach? Other countries have retail and producer labels.*
Consumers have very poor understanding of chicken production	
Farming Space and Planning	*Stocking density + Slower growing breed*
	BCC Exemption
ing of BCC and broiler welfare ncepts, BCC! UK vs Imported)	*Do consumers choose concepts understand the detail - No?* *Or they reject concepts they don't want in favour of alternative (Plofkip in NL, cage eggs)*

Hurdles can be jumped!
It has been achievable at scale

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OAKHAM GOLD
The Best Just Got Better

3 - Sustainability

+/- of change - sustainability

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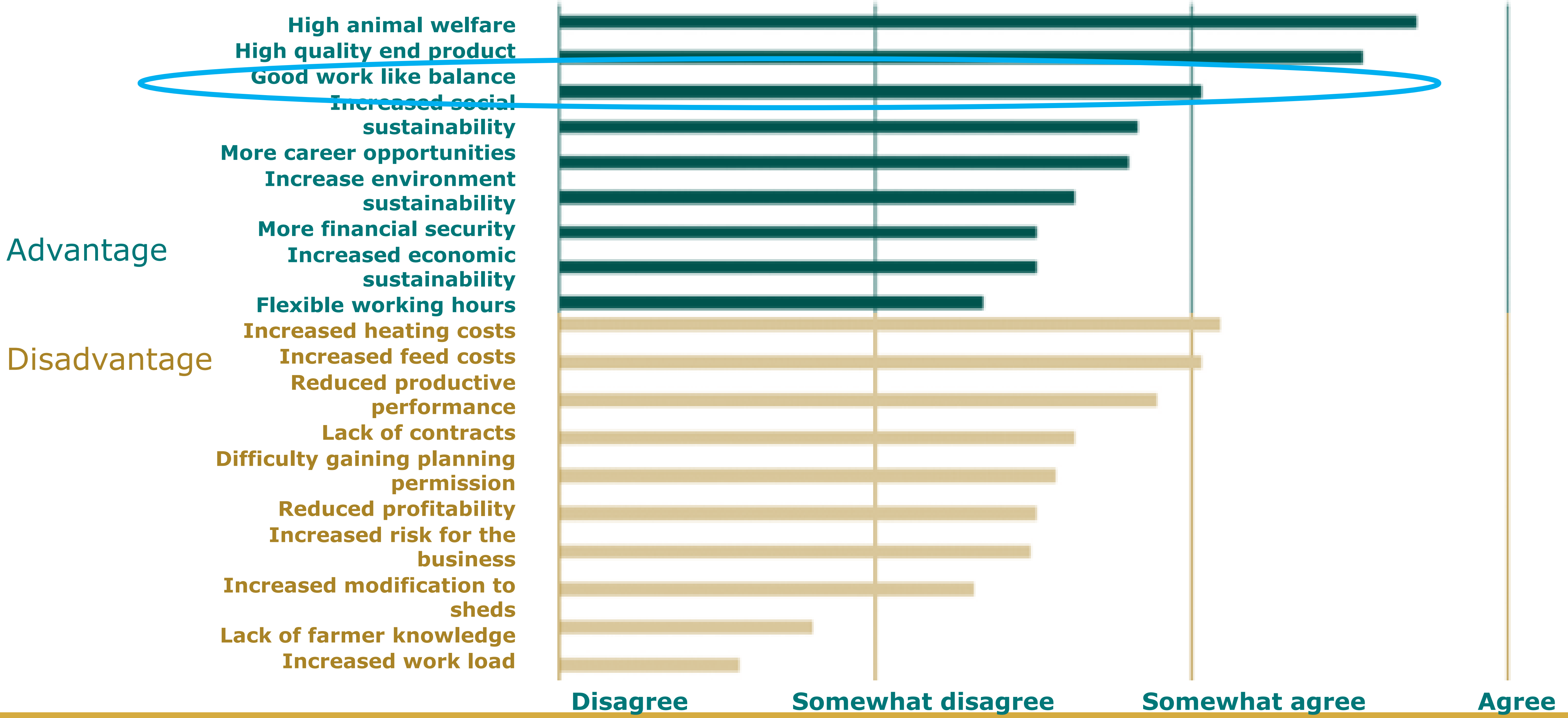
- When making a change in the production system to BCC questions are asked about many factors and we have to try to quantify these.

cost of production
welfare
environment: global warming CO_2, land use, ammonia, soya use
eating quality
food safety
social benefit for farmers and family farming
biodiversity
antibiotic use
locally grown – not imported

- Retailers, Restaurants and Foodservice make choices too on how to invest in their business for their view on the pillars of sustainability and balance all the costs and benefits

Broiler farmers' perceptions of slow growing broiler production in GB



Research Areas – why is it important

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- Qualitative Welfare – can we measure this and how?
- Marketing value – concepts and brands??
- Nutrition – Alternative Ingredients – CO_2 and Nitrogen Cycle
- A lot of UK projects so better informed decisions

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BREEDING FOR YOU SINCE 1921

4 - Concept Impact

1 - Norsk Kylling – summary 2021

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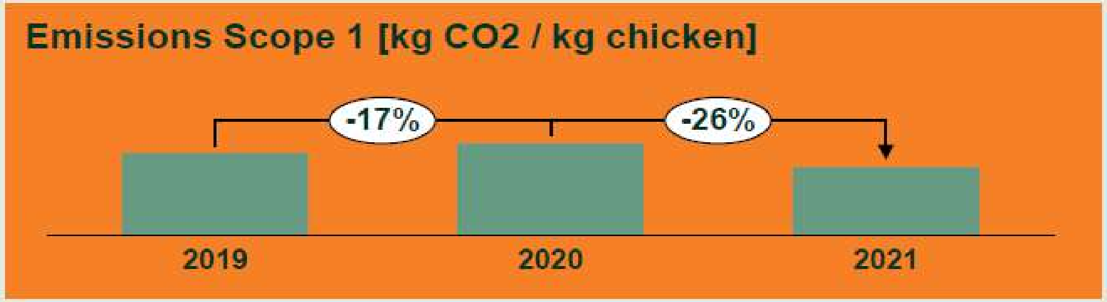
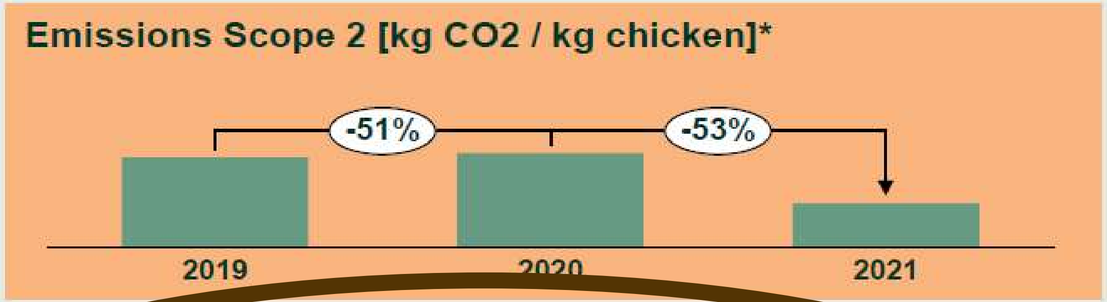
Our carbon footprint

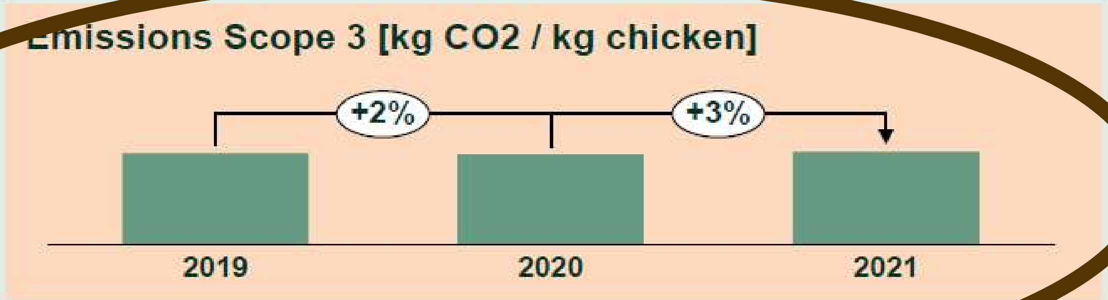
Emissions per Scope for Norsk Kylling

Scope	Category	Emissions [tCO2e]	Share of emissions
Scope 1: Emissions generated directly by operations.	Stationary combustion	1615	2.8%
	Transport	21	0.04%
	Coolants	575	1.0%
Scope 2: Indirect emissions from purchased energy.	Electricity	152	0.27%
	Remote heating	188	0.33%
Scope 3: Other indirect emissions, including customers and suppliers.	Downstream transport and distribution	291	0.51%
	Waste	197	0.34%
	Fuel and energy-related activities	280	0.49%
	Service travel	10	0.02%
	Chicken feed	49,642	86[illegible]%
	Water consumption	273	0.48%
	Packaging	2,712	4.73%
	Upstream transport and distribution	970	1.69%
	Recycling of sold products	366	0.[illegible]%

Emissions from Norsk Kylling after the switch to a more slowly growing chicken breed







Norsk Kylling

*Starting in 2021, the methodology for this calculation has changed from the Nordic mix to the Norwegian mix, a factor that represents the Norwegian electricity mix. With market-based calculations, the emissions for Scope 2 in 2021 are 1019 tCO2e, for which origin guarantees were also purchased in 2021

2 - Broiler cost for different EU countries

van Horne and Vissers (2022)

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Economics of slow growing broilers

Peter van Horne and Luuk Vissers,
peter.vanhorne@wur.nl and luuk.vissers@wur.nl Wageningen University & Research.
Wageningen, the Netherlands 21 December 2022

2 - Broiler cost for different EU countries

van Horne and Vissers (2022)

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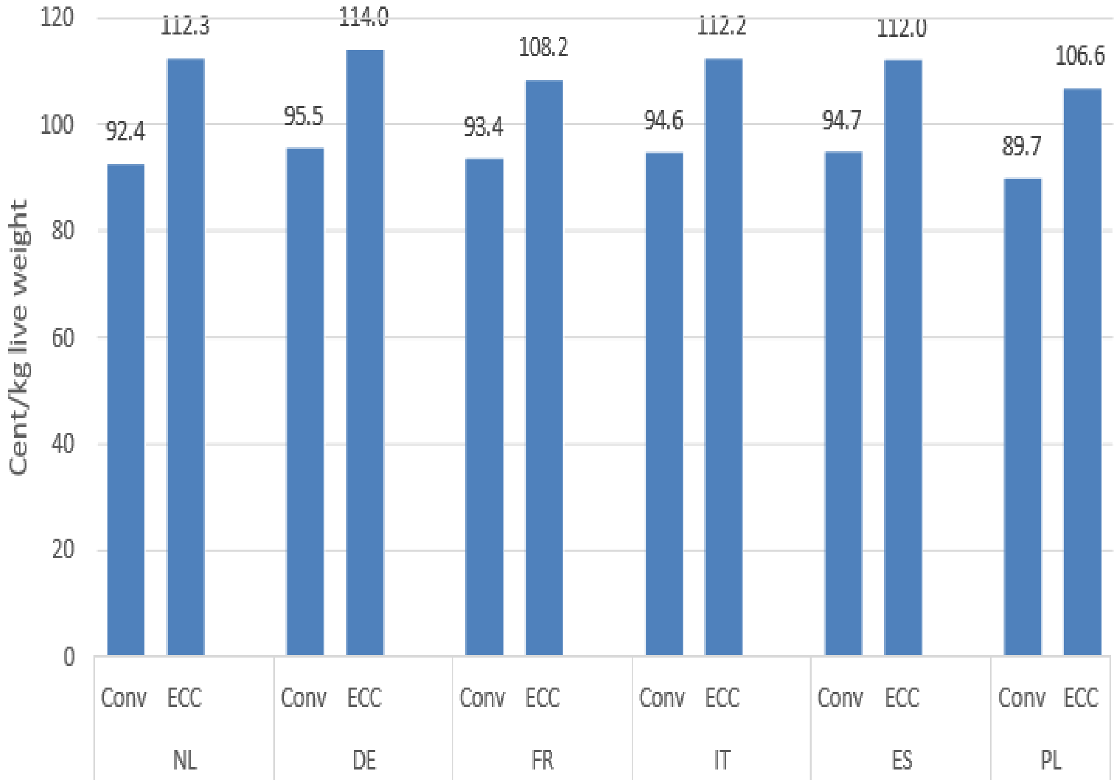

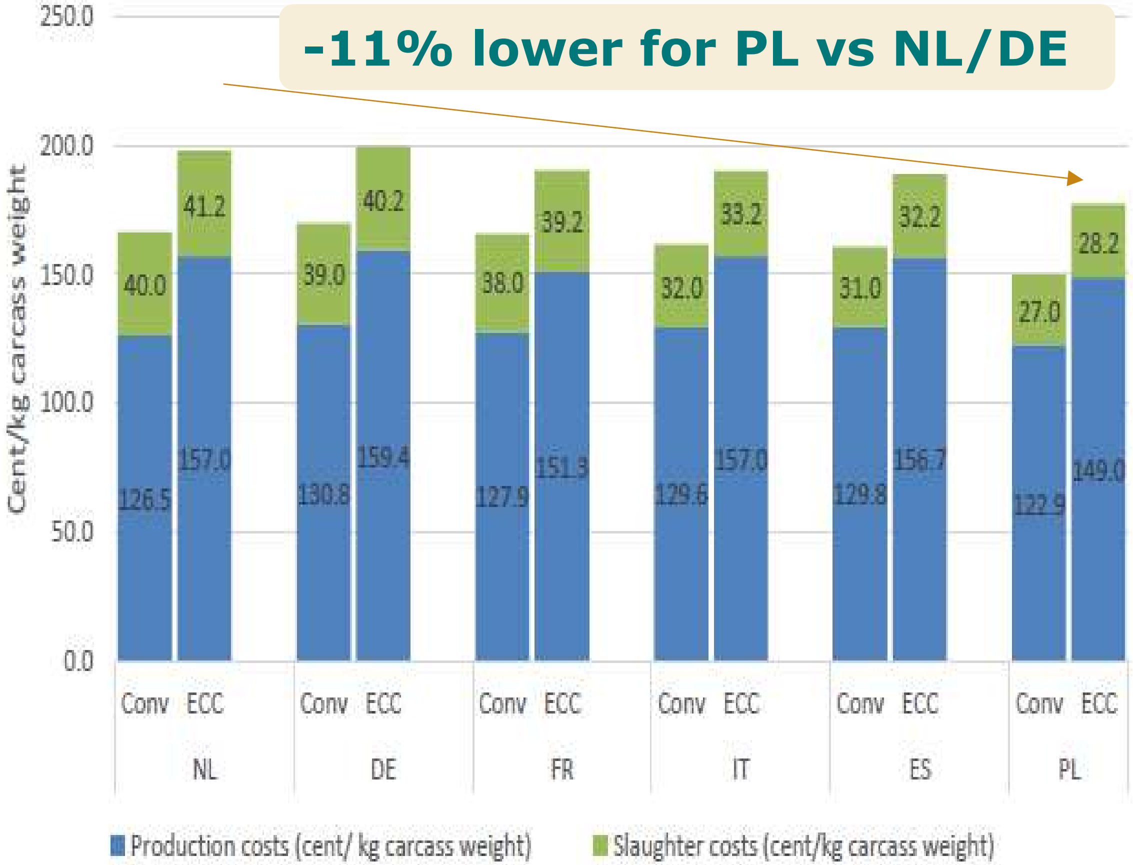

Economics of slow growing broilers

Cost per kg

+18.7%

Costs per kg carcass

+20%

3 - ADAS report 2024

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AVEC

The Association of Poultry Processors and Poultry Trade in the EU Countries

Costs and implications of the European Chicken Commitment in the EU

A report prepared by RSK ADAS Ltd

March 2024

ADAS

3 - ADAS report 2024

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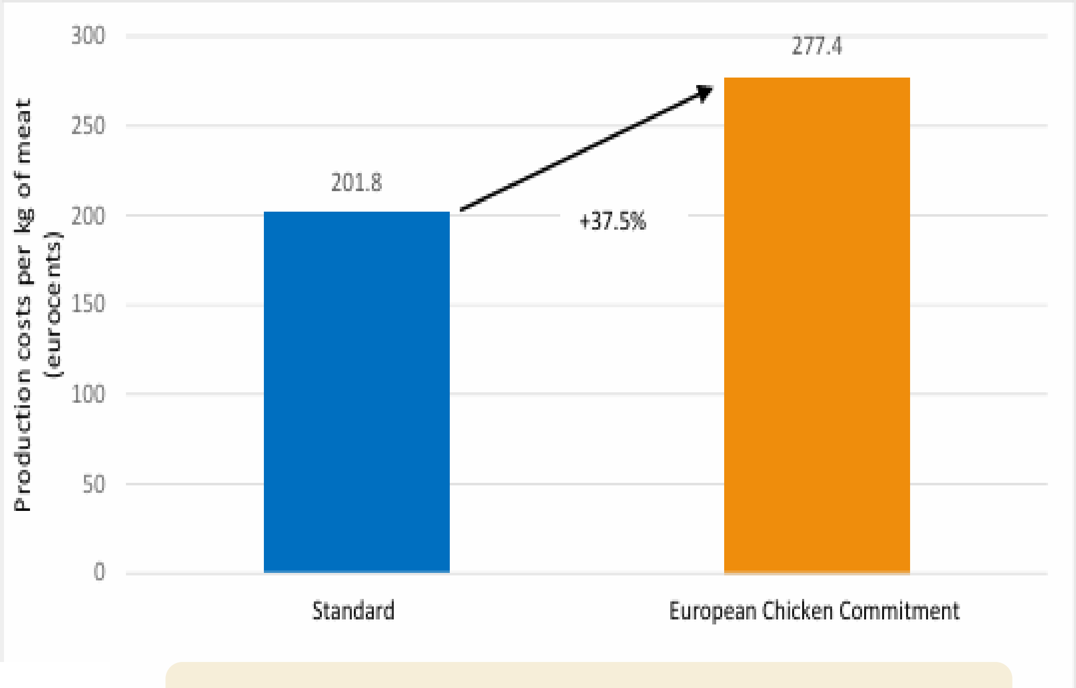

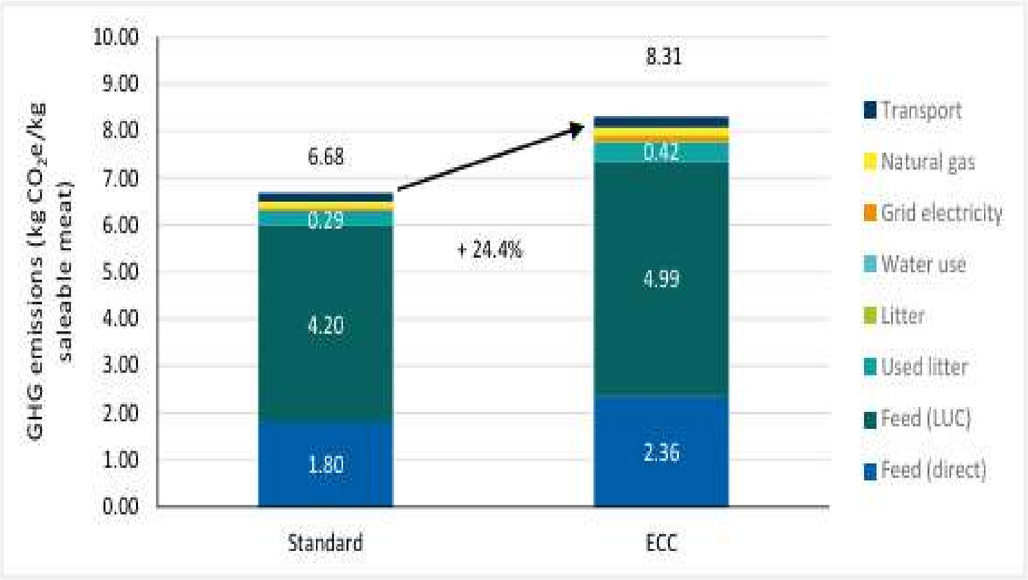


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ADAS

Cost per kg meat + 37.5%

GHG per kg meat +24.4%

At 30kg per capita poultry = 51kg = 1 journey 240 miles in a car

Our carbon footprint

Responsibility Report 2021 | Norsk Kylling

Introduction | Animal welfare | The environment | Social responsibility

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Emissions from Norsk Kylling after the switch to a more slowly growing chicken breed

Emissions Scope 1 [kg CO2 / kg chicken]

-17% -26%

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Economics of slow growing broilers

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ADAS

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Spectrum of calculated outputs for the impact of BCC

Calculations concept costs and impacts

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- Comparisons based on data from the field are limited in public domain Analyses based on projections need validating
  - Breed target based comparisons **are very risky** not apples vs apples comparison and overestimate field data differences
- No common format – LCA consensus on methodology
  - Common or specific nutrition and costs
  - What is included e.g. windows already a UK requirement and enrichments used so not the same cost impact as for other countries.
- Make your own calculation on your own data in your conditions

Scenarios impacting the future for UK Production and BCC implementation

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- Farming capacity – can it be produced
- Concept production outside UK
- Legislation
  - UK and EU Directive
  - Conventional and Free Range changes
- Future of Accreditations
  - RSPCA and Red Tractor under pressure
- NGO alliances – continued pressure on industry?
- ESG reporting
  - What are weightings?
  - Welfare, Net Zero, Biodiversity, Nitrogen, Regenerative Principles, UK farmers
- Branding concept that resonates with consumers
  - Gen Z attitudes and messaging
- ECONOMY

Final comments

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1 - Implementations still difficult to forecast

2 - Agriculture experience of implementation is not a hurdle for BCC

3 - NGO Pressure will remain

4 - More actual impact data is required in public domain

5 - Next 18 months will be interesting

6 - Logistical uncertainty for UK capacity and import balance

7 - Explaining concepts to consumers is difficult but critical

8 - BCC can be part of an industry value chain for UK chicken

Working together is key to success!

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OLD Model

Consumer

Foodservice

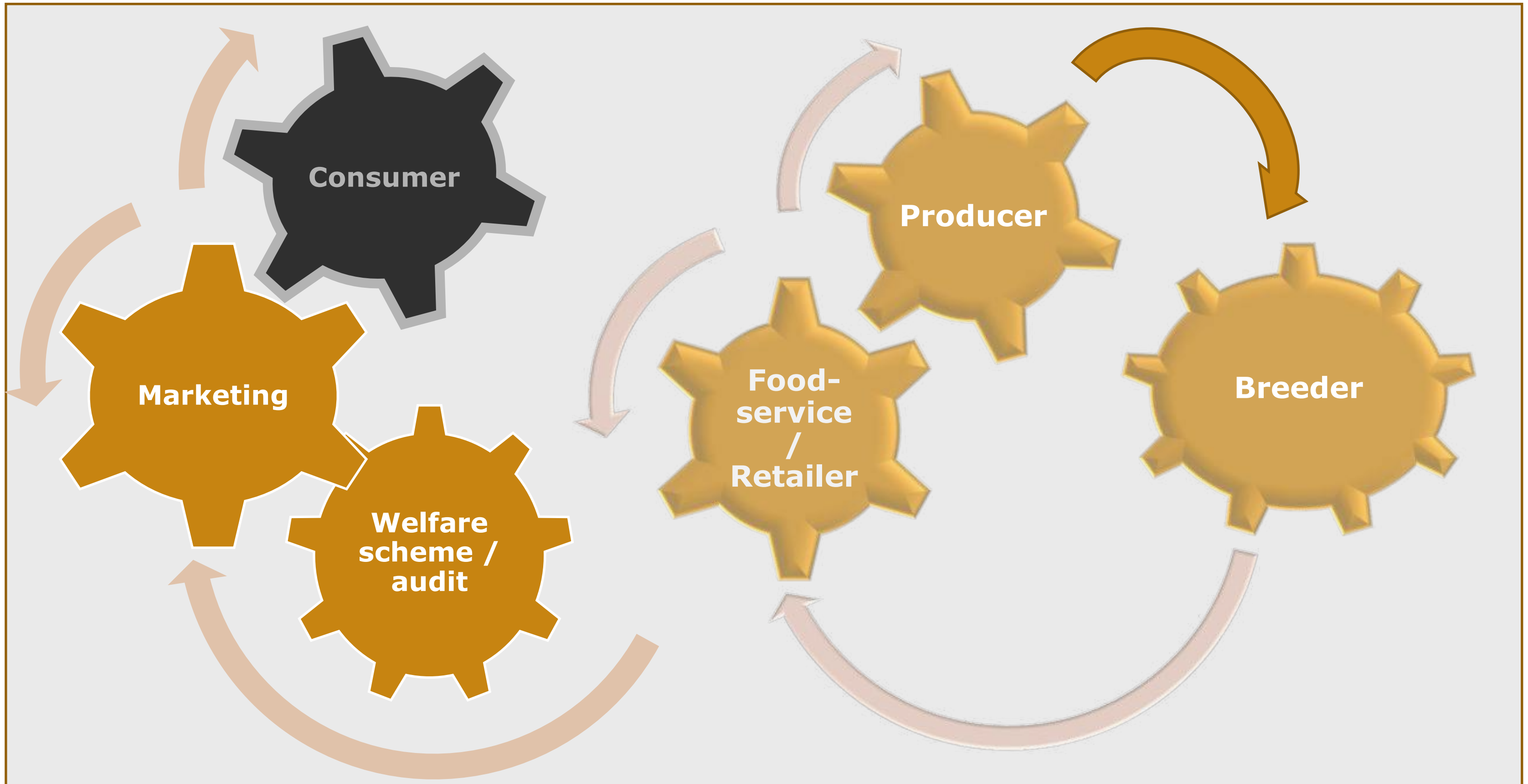
Producer

Farmer

Breeder

Supply Chain

NEW Model



All need to be part of the project and <u>committed</u> to its success

Thank You!