

The Hon Ms Emma Hurst
Committee Chair
Select Committee | Legislative Council
Parliament of New South Wales
Parliament House, Macquarie Street, Sydney
2000, Australia

16 September 2019

Re: INQUIRY INTO THE USE OF BATTERY CAGES FOR HENS IN THE EGG PRODUCTION INDUSTRY

Dear Ms Hurst,

Thank you for your correspondence dated 26 August 2019 requesting information in relation to the use of battery cages in the egg production industry. We welcome the opportunity to respond.

1. What commitments has Woolworths made regarding the future availability of cage eggs at its supermarkets?

In 2015 we stopped selling caged eggs under the Woolworths brand. This means 100% of Woolworths branded whole shell eggs are cage-free. By 2025, all eggs in our Woolworths stores will be cage-free which will also include vendor branded eggs and egg as an ingredient in Woolworths own brand products

2. What commitments has Woolworths made regarding the future use of cage eggs in its own branded products?

By 2025 all Woolworths Own Brand products containing egg as an ingredient will be cage free - we have already started on this transition. All of our Macro range where egg is used as an ingredient and whole eggs are already cage free.

3. What factors were considered in committing to a phase out of cage eggs?

Many factors were taken into account when committing to phasing out caged eggs from Woolworths' supply chains.

The main factor was the need to remove hens from confined living conditions - a decision also supported by a growing number of our customers who are changing their purchasing behaviour and increasingly choosing cage free options. In addition, Woolworths Animal

Welfare policy is aligned with the 'Five Freedoms of Animal Welfare' developed by the Farm Animal Welfare Council. Hens in cage free environments better meet the requirements of that policy.

When making the decision to phase out of caged eggs, we were also conscious of the impact on our suppliers. Having a longer lead time on our commitment has given suppliers the certainty they need to plan for the transition as we move towards 2025.

4. What action is Woolworths undertaking to implement this phase out?

For Woolworths Branded eggs, Woolworths is currently in negotiations with key suppliers in relation to new, long-term supply agreements that will help us deliver our commitment to be cage free by 2025 for both vendor branded eggs and egg as an ingredient in own brand products

5. What was the outcome of Woolworths' trial phase outs of cage eggs?

It is not uncommon for a business like Woolworths to trial various selling methods in store. Our consumer data shows that price is one of the most important factors when considering what eggs to buy. We serve many customers who shop on tight budgets and prices are absolutely key to them.

6. What percentages of sales are received currently for cage, barn and free-range eggs?

The current volume split of egg sales is as follows:

BARN-LAID	13%
CAGED	38%
FREE RANGE (inc. Organic)	49%

The average price of eggs in Australia is easily accessible online.

7. What are Woolworths' short, medium and long term expectations for the pricing of barn and free range eggs following any phase out of cage eggs?

Prices fluctuate in response to a number of market based factors.

Providing future pricing information could be considered as price signalling and hence we are therefore unable to provide any further detail.

8. What are Woolworths' expectations for the pricing of products which switch from cage egg to barn or free range egg use?

Please see answer to (7) above.

9. What factors does Woolworths consider contributes to its customers purchasing decisions in relation to eggs and products containing eggs?

Many different factors influence customer purchasing decisions in relation to eggs and products containing eggs. Animal welfare ie. the production method, egg size, cost and reducing packaging are a few of the factors that can influence customer decision making.

The origin of our food is of increasing interest to customers and we are of course proud to say that 100% of the whole fresh eggs Woolworths sells in store are Australian laid.

10. What support is Woolworths providing to farmers to transition to non-caged egg farming methods?

We are currently in the process of renegotiating supply contracts with each of our suppliers of Woolworths-branded eggs. As part of these negotiations, we are discussing appropriate support measures with each such supplier on a case-by-case basis.

Yours sincerely

Hollie Baillieu
Government Relations
Woolworths Group