

March 25, 2024

Representative Joseph Solomon Jr., Chair
House Committee on Corporations
State House, Room 101
82 Smith St.
Providence, RI 02903

RE: Please reject H7946

Dear Chairman Solomon, Vice Chair O'Brien, and Members of the Committee,

On behalf of Compassion in World Farming, we write to urge the House Corporations Committee to reject H7946, which would delay the effective date of Rhode Island's cage-free egg production regulations to 2034.

U.S. cage-free egg production has increased steadily over the last several years, with over 40% of all egg production nationwide now cage-free compared to just 10% in 2016. In an industry survey this year, egg producers predicted that 46% of egg production will be cage-free by 2025 and that there will be ample supply to meet demand as companies continue to convert to cage-free production.¹ Five states have already enacted cage-free production requirements without issue, and cage-free production will continue expanding as Arizona, Utah, Nevada and Colorado approach the effective date of similar laws in 2025. Dozens of companies are also approaching their cage-free egg sourcing commitments in 2025, and many of these companies are still looking for cage-free egg suppliers to fulfill their commitments, presenting a lucrative market opportunity for egg producers.²

¹ O'Keefe, T. (2024). US cage-free egg pledges coming due, chaos not expected. *WATT Poultry*.
<https://www.wattagnet.com/egg/article/15661839/us-cagefree-egg-pledges-coming-due-chaos-not-expected>

² Compassion in World Farming (2023). EggTrack 2023.
https://www.ciwf.org.uk/media/7456432/ciwf_eggtrack_23-uk-f.pdf?_gl=1*5zopbb*_ga*MzQwMjAyODI2LjE3MTA4NzU4MTM.*_ga_RMC05PGGT7*MTcxMTM4NzU0OS4zLjA_uMTcxMTM4NzU1My41Ni4wLjA.

Cal-Maine, the largest egg producer in the country, has invested \$165 million in cage-free conversion from 2021-2025, citing cage-free eggs as a key driver of growth.³ Vital Farms, a cage-free and pasture-raised egg producer selling nationwide, saw a 2000% increase in net income in FY2023 due to higher sales and consumer trust.⁴ In Virginia, a group of broiler farmers affected by the closure of a Tyson processing plant has formed a co-op and converted from broiler production to cage-free egg production, citing the burgeoning market as a logical pivot, and has even received assistance from the state governor.⁵

The decisively steady and rapid increase in cage-free production over the last eight years, combined with the industry's own eagerness for cage-free conversion, proves that such an extension is not necessary and would only stand to disincentivize Rhode Island producers from taking advantage of this fast-growing, value-added market opportunity already enjoyed by Cal-Maine, Vital Farms and others.

Please reject H7946 and keep Rhode Island on the path toward a more ethical, sustainable, and prosperous future.

Sincerely,



Ben Williamson
US Executive Director

³ Cal-Maine Foods (2022). Cal-Maine Foods Reports Record Fiscal Fourth Quarter and Fiscal Year 2022 Results; Announces Quarterly Cash Dividend. [Press Release] <https://www.calmainefoods.com/press-releases>

⁴ Dawson, M. (2024). US Vital sees 2000% increase in net income for fiscal year 2023. *WATTPoultry*. <https://www.wattagnet.com/egg/article/15665893/us-vital-sees-2000-increase-in-net-income-for-fiscal-2023>

⁵ Dawson, M. (2024). Poultry co-op aids US state of Virginia to up egg output. *WATTPoultry*. https://www.wattagnet.com/egg/article/15665403/poultry-coop-aids-us-state-of-virginia-to-up-egg-output?utm_source=Omeda&utm_medium=Email&utm_content=NL-Egg+Industry+Insight&utm_campaign=NL-Egg+Industry+Insight_20240306_0700&oly_enc_id=9785H9286556E6D