



Australian Chicken Meat Federation (ACMF) Inc

23 November 2015

Manager
Consumer Policy Unit
Small Business, Competition and Consumer Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

RE: ACMF submission on Free Range Egg Labelling

We refer to the consultation paper inviting comment in relation the preparation of a draft national standard on free range egg labelling. We welcome the opportunity to provide comment on this paper.

The Australian Chicken Meat Federation (ACMF) is the peak coordinating body for participants in the chicken meat industries in Australia. Good bird welfare and health outcomes are critical to the sustainability of the chicken industry.

The members of the ACMF members do not produce table eggs. The bird genetics and production systems used in the chicken meat industry are different from those used in producing eggs, and the structure of the chicken industry is quite different from that of the egg industry. However, our members grow in excess of 600 million chickens each year, and believe they have a very good understanding of chicken behaviour, which is key to some of the issues in this consultation RIS. The ACMF therefore believes it can make a worthwhile contribution to the discussion on this matter.

The ACMF believes there is significant potential for unintended consequences, potentially perverse outcomes, for poultry welfare nationally that could flow from the outcome of this current process. For example, if in order for egg farmers to meet an information standard or guideline for free range egg labelling the egg farmers were forced to resort to employing practices which resulted in hens being exposed to environmental conditions or situations to which they would not choose to be exposed (e.g. if they were forced out or deliberately locked out of their sheds). Would egg producers need to make consumers aware of the negative welfare implications on the hen that would result from these types of actions to comply with the labelling requirements?

Major focus of ACMF's comments

Many of the issues raised and focus questions asked in the consultation RIRS could and/or should only be addressed by egg producers themselves; some by consumers. The ACMF therefore intends to address only

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a narrow band of the issues raised in the consultation paper for which it feels an ACMF contribution would be useful and appropriate.

The ACMF has three main concerns regarding the consultation which it wishes to address in its comments:

1. We challenge whether consumers' understanding and expectations with respect to what free range means is in fact as accepted in this consultation paper i.e. most hens can and do use the range on most ordinary days. We do not accept that this has been adequately tested with consumers, nor in the market generally, and believe that research put forward to date to partially address this needs to be carefully critiqued, as it may not actually address the issue at the heart of this matter. We therefore believe that more information is required to better define what consumers specifically expect and want free range to be (preferably set in the context of the likely cost/price implications of their decisions in this respect) before it can be concluded that consumers' understanding of what 'free range' means is the same as that which underpins this consultation paper. Perhaps consumers' understanding of free range is in fact that hens simply have reasonable access to a range that they find reasonably attractive i.e. the hens 'have the choice' of using the range or not, and of how much time they spend on the range?
2. We challenge that any set of conditions will guarantee (or even provide a high level of certainty) that most hens will go out on most ordinary days.
3. We contend that the use of the 'premium' term, as it might apply to free range, is potentially misleading, on the basis that it is likely to mislead consumers to believe that eggs so labelled have superior welfare, nutritional, freshness, food safety and/or other quality traits.

Comments on specific focus questions in the consultation paper

Key Focus Questions

5. *An information standard for eggs labelled 'free range' could mandate that the eggs come from flocks in which most hens go outside on most ordinary days. Would this reduce the problem?*

The problem would be reduced only if this is actually what consumers expect or want 'free range' to be. It is not clear from the results of the surveys presented in Appendix F of the consultation paper that this is indeed what consumers understand or want in terms of free range eggs. Has this interpretation actually ever been specifically tested with consumers?

Focus Questions

15. *Would guidance material provide producers with more certainty? Would it result in more egg producers complying with free range egg production requirements?*

Guidance material may give egg producers more certainty, but if the guidance conditions are so restrictive that most producers would be unable to meet them, there would inevitably be less producers producing free range eggs and therefore less free range eggs available.

16. *Have industry's attempts (through accreditation and certified trademark schemes) to clarify the definition of free range eggs impacted on consumer uncertainty? Why/why not?*

Consumers who are inclined to do so can access the information associated with an accreditation program which provides at least these consumers with greater certainty around what they are purchasing.

20. *Is the principle of most hens being outside on most ordinary days consistent with consumer expectations and an understanding of the production of eggs labelled as free range? Is 'most ordinary days', where 'ordinary' has the meaning provided in the Pirovic judgment, the best characterisation? Is there a better way of defining the frequency of hens being on the range?*

As stated previously, it is not clear from the results of the surveys presented in Appendix F of the consultation paper that this is indeed what consumers understand or want in terms of free range eggs. However there appears to be a consistent indication that consumers expect that the hens are not confined in cages and have access to an outdoor range.

21. *If all eggs labelled as free range conformed to this principle, would this enhance consumer confidence and certainty about egg labelling? Would Option 2 ensure consumers have the ability to identify free range eggs that they can be certain have been produced in line with their values and expectations?*

It would only enhance consumer confidence if this definition in fact agrees with consumers' understanding and expectations of what free range is, otherwise this definition risks confusing consumers. In our opinion this definition is not proven to in fact be their understanding or expectation.

22. *Does a defence improve certainty for producers that their labelling is not false or misleading? Is a defence necessary?*

A defence does provide some certainty for producers, however, it does **not** provide certainty that the condition 'most hens on most ordinary days' has in fact met.

23. *Does the example list of conditions provide confidence that most hens would be outside on most ordinary days? If not, what changes are necessary? What set of conditions would ensure most hens are outside on most ordinary days?*

The example set of conditions does **not** provide certainty that the condition "most hens on most ordinary days" will in fact be met. This is a biological system that is being discussed and as such, there are many factors which will determine whether, and if, birds will choose to access and spend time (indeed how much time the hens will spend on the range even if accessed) on the range including the climate of the area in which the farm is located, seasonal and current weather patterns, the type and age of the hen etc. Simply setting design criteria for the shed, range and densities is not the ultimate determinant of whether individual hens will in fact use the range or for how long they access it for.

28. *Should the proposed information standard apply to eggs sold at the farm door, or at farmer's markets, to retail consumers?*

Any information standard that is adopted must apply to all eggs offered for sale.

38. *Would the inclusion of an 'access to range' category in the proposed information standard accurately reflect the 'grey area' between free range and 'barn' eggs for consumer expectation and production methods?*

As previously stated, we do not accept that the principle underpinning the definition of free range in this paper does in fact actually reflect what consumers expect or want 'free range' to be. If further consumer

study revealed that consumers' understanding of free range is in fact the same as adopted in this document, this may set the bar so high to produce 'free range' eggs that it precludes most producers from producing eggs that qualify to be labelled as 'free range'. However, a category such as 'access to range' or even 'free to range' may accurately reflect the grey area.

39. *Would an 'access to range' category potentially increase consumer confusion about what is and what is not free range?*

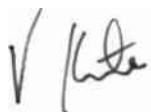
We do not believe that this would increase consumer confusion as it is clear terminology. However, some minimum guidelines may need to be established around the term to ensure that birds have reasonable access to the range.

56. *Do the additional categories of 'access to range' or 'premium free range' provide consumers with additional valuable information when purchasing eggs? What is the value of that benefit to consumers?*

We do not believe that 'premium free range' would provide consumers with more accurate information. In fact, we believe that 'premium free range' terminology may in fact mislead consumers, as it may be misinterpreted that a number of attributes of those eggs were superior to eggs in other categories, whereas in fact they are unlikely to be so. The use of the term 'premium' could potentially be interpreted to mean that the eggs came from hens whose welfare was significantly better than those producing eggs labelled in any other way, that the eggs were nutritionally superior, fresher, safer or of superior quality in some other way, when this is most likely not the case. The use of the term 'premium' would therefore undoubtedly mislead consumers who would likely interpret this term in a broader context than just those relating to how much access the hens have to a range or how much they use it. The example additional conditions that might need to be met for eggs to receive the 'premium' label (no moulting; no beak trimming) do not guarantee enhanced, or even satisfactory, welfare. For example, would the welfare of the hens be considered to be 'premium' if the flock incurs significant mortality due to cannibalism or disease? Or if the farmer is a poor stockperson and frightens and stresses the hens, even those that are not force moulted or beak trimmed?

Thank you for providing the opportunity to comment on this consultation paper. Please do not hesitate to contact me for clarification of any points raised in the above comments.

Yours faithfully,



Dr Vivien Kite
Executive Director