

The Manager  
Consumer Policy Unit  
Free Range Egg Labelling Consultation Paper  
Small Business, Competition and Consumer Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

To whom it may concern,

Thank you for the opportunity to make a submission. It is made as both a consumer of eggs and as someone with work experience in both Australian public policy and agriculture. I am also a member of the International Egg Commission.<sup>1</sup> My comments are limited to question 7c concerning the 'Model Code of Practice for the Welfare of Animals — Domestic Poultry' (Model Code).

The Model Code focusses on egg production systems and therefore needs to balance animal welfare, environmental impacts and worker safety considerations. It is drafted with input from all Australian jurisdictions and animal welfare organisations are involved, the RSPCA included.

The Model Code enables a range of stocking densities to be possible provided:

*...any higher [than 1,5000] bird density is acceptable only were regular rotation of birds on fresh range areas occurs and close management is undertaken which provides some continuing fodder cover.<sup>2</sup>*

This reflects the variation in size of farms and also the geographic/climatic variation across Australia. In warmer climates with higher rainfall, vegetation on ranges would have different growth rates compared to drier or colder areas. Hence there would be different husbandry and range management considerations.

In contrast the outcome of the Free Range Egg Labelling Regulatory Impact Statement (the RIS) is to better inform egg consumers. Although a simple objective, there is a real risk of the information standard negatively impacting on egg supply and price. This is particularly so if it is developed in isolation and in advance of the next edition of the Model Code.

Take for instance relying on a definition of 'free range' that is limited to one stocking density. This would overnight make a number of egg producers 'non compliant' removing them from the market and reducing supply. A shortfall of eggs cannot be resolved by imports as Australian quarantine rules ban such in the interests of biosecurity.

Similarly setting the threshold for stocking density too low and current egg consumption levels will not to be met. There will not be enough readily available land on hand, particularly close to cities, for the extra farm ranges required to meet the new stocking density.

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<sup>1</sup> <https://www.internationalegg.com/corporate/index.asp> "The International Egg Commission[IEC] exists to link people across the globe, and is the only organisation that represents the global egg industry. It is a unique community that shares information and develops relationships across cultures and nationalities" The IEC has been in operation for 50 years and has 75 member countries.

<sup>2</sup> <http://www.publish.csiro.au/Books/download.cfm?ID=3451> Model Code p28.

In that respect the on-farm costs of implementing an information standard calculated for the RIS need to include more than just acquisition of the labels and applying QA systems. The changes in plant, equipment and husbandry practices to meet the new definition of the relevant farming systems should also be taken into account.

Furthermore it takes considerable time and capital investment to obtain sufficient land for egg production to move to low densities. Even then, council planning approval for free range farming<sup>3</sup> is not a given. Hence timing of any potential changes will need careful consideration and consultation with stakeholders for it to be achievable.

For more details, I suggest Consumer Affairs Australia and New Zealand (CAANZ) refer to the work of the International Egg Commission's Prof. Hans-Wilhelm Windhorst. He has recently published a report on the European Egg Industry<sup>4</sup> and the challenges that resulted from the combination of imposing labelling requirements and the phase out of cage systems.

I provide a brief summary below:

The EU Commission passed the Directive 1999/74/EC on 19 July 1999 that banned cages by 2012. In doing so it recognised producers needed incentives to make the necessary changes. It prohibited from 1 January 2003 the installation of any new conventional cages. Additionally EU farmers have access to subsidises for having environmentally friendly and high animal welfare production systems.

EU Regulations permit 2,500 birds per hectare as free range, with 50% of the outdoor space needing to be provided as covered.

The EU had separately imposed an egg labelling system that informs consumers about the production system used.

Despite the considerable time lag, the decision impacted both bird and farm numbers. I.e. there was an egg shortage and prices skyrocketed. Notably the shortfall in eggs occurred despite EU countries being able to import from each other.

A number of egg production systems are in operation post ban. Countries that have favoured enriched or conventional cages occur in the EU's east and far west. In the middle of EU, Italy through to Sweden and Norway, these have favoured barn. UK and Ireland are different again having moved to free range as the dominant.

Interestingly Prof Hindhorst notes that UK needs to supplement its supply with imports. These come from EU countries in transition and he questions whether these eggs are free range or even compliant with other housing systems.

Yours sincerely  
Jennifer Brown  
1 November 2015

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<sup>3</sup> <http://www.weeklytimesnow.com.au/agribusiness/council-tells-yarra-valley-piggery-at-wandin-north-to-hoof-it/story-fnkeqfxg-1227567716737> The Weekly Times 14 October 2015.

<sup>4</sup> Prof. Hans-Wilhelm Windhorst, (2015) The European Egg Industry in Transition is available from The IEC.