



# Lynn MacLaren MLC

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

To the Manager of the Consumer Policy Unit,

## **Free Range Egg Labelling – Consultation Paper**

Thank you for the opportunity to provide feedback on the consultation regarding consumer certainty about free range egg labelling. This is a very important issue, not only for members of the community who are passionate about supporting products that promote animal welfare, but for consumers who like to make informed purchasing decisions as well as genuine free range egg producers.

In my role as the spokesperson for animal welfare in WA State Parliament for the Greens (WA), I have listened to members of the community from all walks of life across Western Australia talk about the importance of ethical purchasing options and accurate and informative labelling.

It has been made clear to me, that the free range egg industry in Australia is facing a crisis of classification, as the laws surrounding definitions of “free range” egg products are ambiguous and sadly are sometimes exploited by unscrupulous producers for financial gain.

As outlined by Choice, the leading consumer advocacy group in Australia in their report investigating the labelling of free range eggs;

“With 65% of Australians opting to buy free-range eggs in the past twelve months, it's becoming the fastest growing egg sector. But the labelling debacle has created uncertainty for consumers who wish to purchase genuine free-range eggs.”<sup>1</sup>

A growing number of consumers are prepared to pay a higher price for higher welfare standards and the care and management to provide an outdoor range and was detailed in Choice’s report:

“Consumers will happily pay a premium for free-range eggs in the belief that they meet ethical standards. In fact, we've found consumers are paying almost double the amount for free-range eggs that they would for cage eggs.”

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<sup>1</sup> Choice. 2015. *How 'free range' are your eggs?* Last Accessed from <https://www.choice.com.au/food-and-drink/meat-fish-and-eggs/eggs/articles/what-free-range-eggs-meet-the-model-code>



Recent Court decisions have affirmed consumers' expectations of 'free range' being a descriptor for when hens are able to move about freely on an outdoor range on most ordinary days, along with other considerations including stocking density compatible with high animal welfare standards and flock sizes.

"But there's no guarantee you're getting what you pay for, as our report into the free-range egg industry found. We found around 213 million of the free-range eggs on the market have stocking densities higher than the Model Code of Practice."<sup>2</sup>

Additionally, Choice found that "free range eggs from farms with 1,500 hens a hectare on average cost \$1.12 per 100 grams. But there were ones from farms with 10,000 hens a hectare charging more, such as Ecoeggs."<sup>3</sup>

### **Current situation**

In WA regulations are outlined in the *Code of Practice for Poultry in WA*, published by the Department of Agriculture in 2003. The Code states that hens housed in 'free range' facilities must have access to an 'outdoor range' for eight hours a day, and that the outdoor stocking density for hens must not exceed 1,500 chickens per hectare, unless ranges are rotated.

Although the Code outlines these conditions, adherence to the Code is voluntary. This allows some producers to stock at any density, including a density of 10,000 birds per hectare, which is more than six times the recommended limit. This includes the producers for both Coles and Woolworths' home brand free range eggs.

Unless the Code, including stocking density, is defined and legislated there's no protection for consumers, there's no protection for animals and no protection for genuine free range producers (defined as producers stocking at or below the Model Code density of 1500 birds/ha). Without such certainty the 'free range' term will continue to be exploited by non-compliant producers eager to cash in on the economic premium 'free-range' labelling commands.

The Greens (WA) believe that consumers should get what they pay for. Mandating enforceable standards for free range egg labelling will lead to better outcomes for consumers, higher animal welfare standards in the free range sector and better outcomes too for genuine free range producers who will not be forced to compete on an uneven playing field.

### **Animal Welfare**

As identified within Choice's survey, there are two main reasons why consumers purchase free range eggs, one is to support free range producers and the other is to support improved animal welfare.

Good welfare is determined by an animal's state of wellbeing, which includes its physiological and mental state.<sup>4</sup> Internationally, the 'five freedoms' are considered to be vital in determining appropriate welfare. These include

- 1) Freedom from hunger and thirst
- 2) Freedom from discomfort

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<sup>2</sup> Choice. 2015. *How 'free range' are your eggs?* Last accessed from <https://www.choice.com.au/food-and-drink/meat-fish-and-eggs/eggs/articles/what-free-range-eggs-meet-the-model-code>

<sup>3</sup> Han, E. 2015. Free-range eggs: Ministers hatch a plan to develop a binding, national standard.

<sup>4</sup> Animals Australia. 2015. *Make it Possible Campaign*. Last accessed from <http://www.makeitpossible.com/facts/frequently-asked-questions.php>

- 3) Freedom from pain, injury or disease
- 4) Freedom to express normal behaviour
- 5) Freedom from fear and distress

While appropriate stocking densities are critical, there are other considerations as well:

- Easy access to the range through sufficient openings
- Overhead cover for protection and to allow the birds to feel safe
- Shade, positioned throughout the range to encourage use
- Size of the range relevant to the number of birds within the shed

It is also important to consider the conditions inside the shed, and ensure that it includes:

- Access to a nest
- Perching
- Ability to forage, scratch and dust bathe
- Provision of litter
- Birds per square metre

### **Truth in Labelling**

As it can be more expensive for producers to maintain higher levels of animal welfare with lower stocking densities, the cost of this must be passed onto consumers. With effective and truthful labelling, consumers are provided surety that the increased cost of products is justified and proportional to the increased standards of welfare.

To ensure that appropriate standards of welfare are maintained and ensured, there needs to be accompanying labelling. As it stands though labelling is ad hoc, self-regulated and lacks any consistent or standard definitions that consumers can both understand and count on to reflect their ethical preferences. This is why 'business as usual' cannot continue and long overdue reform of egg labelling must be enacted.

### **Free Range Egg Labelling Bill 2013**

I have raised the issue of truth in labelling in the WA State Parliament through questions, speeches and have developed and introduced a state bill to address the shortcomings in the current regime.

*My Free Range Eggs Labelling Bill 2013* aims to tighten the rules around 'free range' labelling, and an amended version was re-introduced into State Parliament in 2013. As outlined earlier in reference to the Model Code, my Bill would legislate stocking densities of 1,500 chickens per hectare, unless ranges are rotated, in which case they would be limited to a maximum of 2,500 birds per hectare in line with the Code.

This Bill aims to provide clarity and confidence in consumers' purchasing decisions. It will ensure that producers charging a premium for their product adhere to appropriate animal welfare standards in line with community expectations.

Importantly, my Bill, (and these proposed reforms) do not and would not prohibit the sale of caged or barn laid eggs. Egg producers and retailers can continue to produce and sell eggs from farms with higher stocking densities, but they may not label them free range. This provides certainty for consumers and does not dictate farming practices to individual producers. It will not therefore lead to egg shortages or shut down producers who are not genuinely free range.

There are a number of important elements of my bill which mirror the reforms I'd like to see at a Federal level.

### **Preferred Option for Federal Reform**

My preferred policy preference for Federal reform is **Option 3** with three categories defined; 'free range', 'barn (or barnyard)' and 'cage' eggs. Under this option all producers would need to ensure that their production systems meet the minimum requirements in the standard for each of the listed egg production methods.

This is in contrast to **Option 2**, which only imposes requirements if producers voluntarily choose to label their eggs as free range, and then only codifies compliance with the case law notion of free range.

While I am also broadly supportive of **Option 3b**, and the inclusion of an 'access to range' category between barn and free range in terms of hens' access to the outdoors, I do not support **Option 3a**, and the inclusion of a 'premium free range,' category – meaning free range plus additional animal welfare conditions. The label of "free range" needs to be protected and maintained as the highest level of welfare. If there are any additional standards then they should fall lower than 'free range' to preserve the integrity of the label and to ensure the labelling regime is clear and simple to maximise consumer comprehension of the scheme.

The term 'free range' itself accurately describes what consumers are looking for, and has been in the public domain for a substantial time and it has immense commercial value. 'Free range' belongs to the genuine free range producers and should not be able to be co-opted by producers not complying with standards set out by the Model Code.

### **Timeframe**

The development of a legally binding national definition of 'free range eggs' should be introduced and implemented as soon as possible. The Model Code can be modified to accommodate the reform. This issue requires efficient reform without further delays. If this process for national reform, is not addressed at this opportunity, then pressure for state based reforms will continue, however this is less than ideal given the national state of the egg market and the potential for interstate differences undermining individual states' reforms.

### **Conclusion**

The prospect for free range egg labelling to be clearly and consistently defined nationally addresses three interlinked issues; the rights of Australian consumers to be fully informed and make informed purchasing decisions in line with their own ethical and economic choices; the rights for genuine free range producers to compete fairly and not be undercut by unscrupulous operators looking to exploiting consumer goodwill towards free range eggs; and the implementation of higher animal welfare standards across the free range sector in line with consumer expectations.

Legislating for a national truth in labelling information standard for all categories of eggs is a long overdue reform that I endorse wholeheartedly and one that addresses all of the above mentioned issues.

Thank you very much for the opportunity to provide these comments. I look forward to this stakeholder consultation being translated into effective action at a federal level to address this important issue as soon as possible.

I attach copies of the two Bills I have tabled along with the Explanatory Memoranda.

Kind regards

A handwritten signature in black ink, reading "Lynn E. MacLaren". The signature is written in a cursive style with a large initial 'L' and 'M'.

**Hon Lynn MacLaren MLC**  
Member for South Metropolitan Region

24 November 2015