

HUMANE SOCIETY INTERNATIONAL

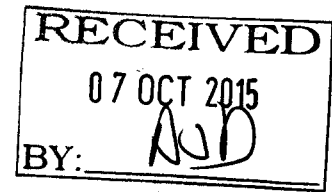
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30th September, 2015

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08 OCT 2015

Dear Minister,

Development of a National Standard for Egg Labelling

Humane Society International (HSI) is the world's largest conservation and animal welfare organisation with 60,000 Australian supporters, and over 12 million supporters worldwide. **As the representative for the most true free range producers across Australia, we are delighted that state and federal ministers recently agreed to develop a National Information Standard for free-range eggs for consideration by ministers early next year.**

Previously we have been dealing with the Hon Bruce Billson who has a thorough understanding of the issues affecting both consumers and true free range egg farmers. As the newly appointed Federal Small Business Minister, we are writing to you today to ensure you are also fully aware of these issues.

At this stage, it is critical that true free range producers are also represented and are part of any future discussions to develop this national standard. It would be alarming if this new standard was dictated by the egg industry to suit only large producers. We feel it is very important for you to be aware that there has been much division both within industry, and between industry and consumers regarding the definition of 'free range' in egg production. **The demand for free range eggs has driven opportunistic action by those controlling the industry at the expense of smaller businesses.**

The recent deceptions by industry insiders such as **Australian Egg Corporation Limited (AECL)** demonstrate the level the industry is being controlled by the large producers and how far they are willing to go in order to manipulate the market to their own advantage. Earlier this year three of the directors of the Australian Egg Corporation faced court when the ACCC took action against them, alleging they tried to set up an egg cartel, encouraging egg producers to cull hens to boost egg prices. The outcome of this case is yet to be announced. Further, following a complaint made by HSI to the ACCC in 2012, one of Australia's largest egg producers is now in court over falsely labelling eggs as 'free range'. Last year NSW egg producer Pirovic was fined \$300,000 when they lost a similar ACCC case.

Over the last 3-4 years the ACCC has been working to create transparency in regard to free range legislation and to determine consumer expectations of the term 'free range'. Therefore, **we feel it is critical that the ACCC are involved in the development of the national standard** due to their thorough research in this area and the work they have done recently on credence claims.

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In 2013, a total of **40,000 signed postcards** were delivered to the door of the Prime Minister by HSI in protest to industry and state government's indifference to the continued mislabeling of free range eggs. This is the largest number of postcards ever presented to government to support a campaign and demonstrates the strong public support on this issue. The postcards called for stocking densities for free range hens to be capped at **1,500 per hectare**, in line with the Model Code of Practice, meeting consumer expectations of free range eggs. Since then, we have collected more signed postcards from consumers who believe truth in labelling is their right, and we are pleased to enclose a card by way of example for you.

As part of our campaign for *Truth in Labelling* of 'free range' eggs we alerted the ACCC to concerns about the proposed AECL Egg Standard which would allow them to increase free range branded eggs from 1,500 per hectare to an astonishing 20,000. HSI requested that the Certification Trademark before them be denied. Eighteen months of investigations and interviews resulted in the ACCC issuing its scathing assessment, producing a damning report stating that they believe that AECL's proposed standard may mislead or deceive consumers about the nature of eggs described as free range. Every move made by AECL in this debate has been to increase the profits of the large intensive egg producers, the very agricultural industrialists who make up their Board, and to bow to the pressure from Australia's two biggest supermarkets.

There is currently a robust free range egg industry in Australia based on the Model Code of 1,500 birds per hectare. Although industry will suggest that free range production at 1,500 hens per hectare will never be able to satisfy consumer demand and that the cost of the eggs will be prohibitively high, this is simply not the case. In anticipation we would like to address this.

Buckleberry Farm was established based on HSI's *Humane Choice true free range egg standards*. Pastures, paddock rotations and moveable shelters were designed to manage the welfare of their non-debeaked hens while ensuring optimal lay rates and continued productivity. This farm is progressively installing new paddocks with a target of 140,000 layers and the capacity to expand further.

Kangaroo Island Free Range Eggs stocked 50,000 hens when first accredited and the producers say they are always 10,000 hens short of a demand that just continues to grow. The farm is currently stocking around 70,000 hens with plans to increase this amount further, and they are employing a full time shelter builder on the farm. They are now the largest employer on Kangaroo Island.

Both of these farms are located on large areas of land. Buckleberry has incorporated cattle and hay production into their system, and Kangaroo Island produces enough grain to feed their hens as well as maintain a large sheep flock. The two farms stock at fewer than 1,000 hens per hectare and are both profitable and expanding whilst offering the Australian consumer affordable eggs, produced to the highest animal welfare and environmental standards.

The investment in these facilities cannot be ignored. These businesses were established to meet the **Model Code of Practice** for free range egg production and there has been significant investment. There are of course many smaller producers who have been established under the Model Code for many years and it is in fact their hard work and pioneering efforts that have created the desire for true free range eggs. Their efforts and future need to be considered when formulating a national standard because the growth of the free range egg

industry in Australia has been based on honest representation by genuine producers to trusting consumers.

As a key member, HSI also reminds you of the importance that you see a true free range farm for yourself – we would be delighted to organise a farm visit for you and the other Ministers which I am sure you will find helpful. We have a fantastic farm in mind which was established based on the *Humane Choice true free range* egg standards – they have pastures, paddock rotations and moveable shelters designed to manage the welfare of the hens while ensuring optimal lay rates and continued productivity. Do let me know when you would like us to arrange your farm visit?

We have attached some information to help you further understand this issue:

1. A selection of comments from the submissions to ACCC
2. Survey results on consumer expectation of free range
3. A chart comparing the maximum outdoor stocking densities for free range layer hens in Australia, and internationally
4. A copy of the postcard

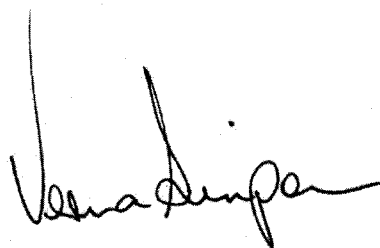
To conclude, we are asking that you ensure the new **National Information Standard for free range eggs represents true free range production systems and truth in labelling**. The objective of this project is to “*work to enhance consumer confidence and certainty around egg labelling*”, so the following needs to be incorporated into the new Standard:

Hens must have a maximum outdoor stocking density of 1,500 birds per hectare, and they must be able to move about freely on an open range on every ordinary day. Practices must be based on the Farm Animal Welfare Council (FAWC) ‘five freedoms’ of animal welfare.

If the above conditions are met, then consumer confidence and certainty around egg labelling would finally be restored.

We hope this helps your understanding of the matter and offers you further clarity. Any questions, comments or feedback you may have on this issue are welcome, and we are sure you now appreciate the importance and implications that this new Standard will have on free range egg farming in Australia.

Yours Sincerely,



Verna Simpson
Director
HUMANE SOCIETY INTERNATIONAL

Attachment 1 – SELECTION OF CONSUMER COMMENTS

Below you will find a selection of quotes from consumers from the submissions sent to the ACCC following the attempt by AECL to increase the outdoor stocking density for free range hens from 1,500 to 20,000 birds per hectare:

"That the birds and other animals are in fact free to range, run and do as is normal for that animal to do. What is being proposed at these densities is really penned animals - the difference is a vastly restricted movement. If I can put it to you this way: It is the difference of being able to run on a paddock as opposed to being inside a typical elevator with 5 other people! Not even close to that term "free"." Miro

"That the birds are able to do just that. Range freely." June

"1500 chooks or less per hectare. The consumer should be the ones to determine what free range means not commercial enterprises, let them make up some other term." Roger

"That a bird should not have to make constant decisions as to how to avoid other birds to enjoy a life that is reasonably expected of a sentient being." Richard

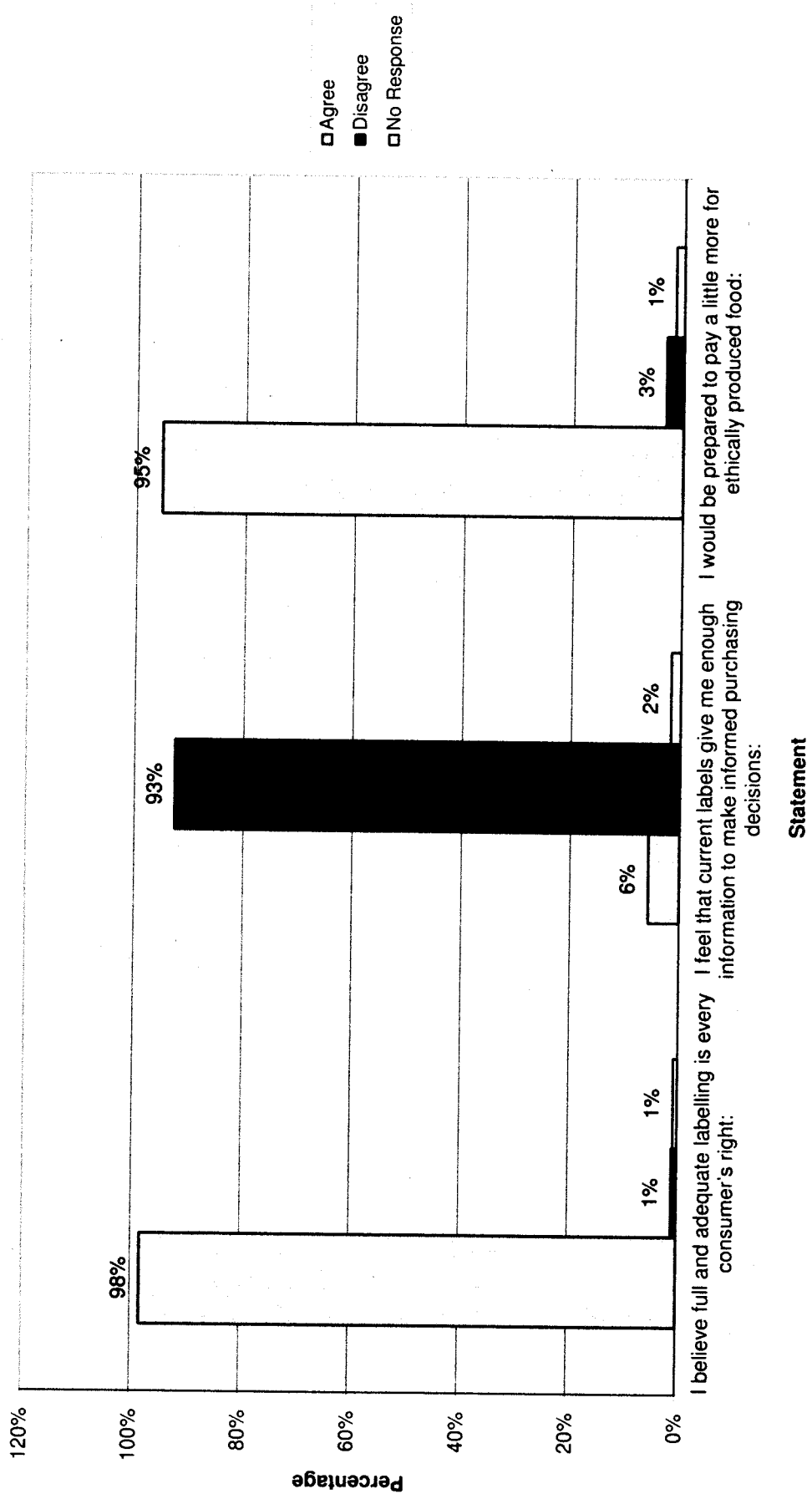
"They can roam freely without being in high density. I believe the suggested change goes against what I, or any reasonable person, would believe to be free range. Limited range maybe?" Simone

"The birds are indeed free to move about in an adequate space that ensures a quality stress free healthy life. I make a determined effort and pay extra money to purchase poultry and eggs that are advertised and sold as free range. I therefore ask that you do what is required to protect my rights as consumer and ensure products that claim to be free range are free range." Peter

"The proposal for a new definition of Free Range is ludicrous. We all know what is reasonable as free range and that is what I purchase. Animals with space to move around freely outdoors, not overcrowded, in a natural environment. I only purchase free range eggs and chicken but will stop if this legislation gets through. I will then only purchase organic. If you want to keep my business and that of many others I know (and will inform) then please do not change the definition of free Range." Robyn

"That the birds have room to roam and feed across paddocks that are clean and spacious and not so overcrowded that they become covered in bird faeces, thereby increasing the likelihood of contaminating the meat and transmitting bird diseases. There should be ample room for the birds to have individual space around them without the densities associated with intensive farming practices." Kathy

Attachment 2 – Responses to National survey on product labelling



Attachment 3:

