

SUBMISSION ON FREE RANGE EGG LABELLING CONSULTATION PAPER 2015

AUTHOR: Michael Londey

Introduction

Like many people, I prefer not to buy eggs which have been produced at the cost of inhumane and cruel treatment of animals. For this I am prepared to pay a considerable premium.

The term 'free range' has come to be the popular term used to describe a method of egg production which allows the birds, while still farm animals, to lead relatively natural and pain free lives.

I totally endorse the proposal to set legally binding standards for what constitutes free range production. In setting this standard, I believe the focus should be on matching the standard to consumer expectations. Establishing a standard which was not a reasonable match to consumer understanding of the term free range would actually entrench the problem of misleading labelling rather than resolve it.

This standard is essential to overcome the problem, to which the consultation paper refers, that in this instance the production method is important to the consumer as well as the other characteristics of the product, such as price and quality. Consumers rely entirely on information provided by producers to assess the acceptability of production methods. A legally binding standard for the information to be provided could ensure that consumers had access to the information they needed to make informed choices, as well as inhibiting misleading advertising by producers.

What form should the standard take?

A legally binding standard under the Australian Consumer Law (ACL), as proposed by the consultation paper, seems appropriate.

The consultation paper canvasses a number of options for establishing such a standard or standards. The options vary on two main points:

- the range of different types of egg production which are to be the subject of mandatory labelling requirements; and
- the content of the standards to be established.

Range of egg production to be covered

I believe that consumers who pay a premium for free range eggs do so because they do not want to buy eggs that have been produced at the expense of what they perceive as inhumane or cruel practices. They do not want to support ill treatment of animals.

The term 'free range' has come to represent a form of production which does not involve ill-treatment of animals, but rather allows hens to lead relatively natural and pain free lives.

For myself, and I believe for most consumers who are concerned about the way in which their eggs are produced, the critical distinction is between eggs which come with a guarantee that animals haven't been unduly harmed, and eggs which come with no such guarantee.

Since there is already a term which is generally taken to mean the former, namely 'free range', I would suggest that a single standard to cover that term would meet the critical interests of consumers. Adding a range of other terms, such as 'access to range' or 'premium free range', where there is no general understanding of their meaning, could be more confusing than enlightening. For that reason I would tend to support one of the variants of Option 2.

However, that is not to say that consumers should not have the means of distinguishing between different production methods within the category of 'free range'. How this could easily be managed in the context of an ACL standard is discussed below in the section on content of standards.

Content of standards for free range eggs

An ACL labelling standard for free range eggs would have two functions.

Firstly, it would establish minimum production standards which must be met if the term 'free range' is to be applied to the product.

Secondly, it could mandate information to be provided to consumers about production methods, including requirements about both content of information and the manner and form in which it is provided.

Minimum standard for eggs to be labelled free range

As a consumer, my expectation is that free range eggs would be produced under conditions where the hens:

- are free to range outside on most days, while also having appropriate shade and shelter;
- are not excessively crowded;
- are in a congenial environment such as pasture - at any rate in an organic environment with some fodder cover;
- are not subject to any cruel practices.

This view is very much in line with the typical consumer sense of the term 'free range' as revealed by the Choice survey in Appendix F. It is also the image which some egg producers try to capture on their labels when they depict a scattering of hens grazing on pasture.

In setting a standard which approximates the popular perception of what 'free range' means, the focus should be on consumer expectation rather than expert opinion on what is good for poultry. The aim of labelling should be to inform consumers about production practices. Armed with this information, consumers are then entitled to form their own opinion about whether the treatment of animals in the production process is acceptable to them.

While the provision suggested in Box 3 on page 19 of the consultation paper does incorporate some key elements of what constitutes 'free range', I believe it has a number of deficiencies, most notably that it:

- sets no standard as to stocking rates;
- does not set any standard for the conditions of the outdoor environment the hens are ranging in;
- places no limitations on treatments such as debeaking,
- is still somewhat vague in its definition of the frequency with which birds range.

This definition is apparently based on case law. While this is an important source for establishing a standard for what constitutes 'free range', the ultimate test of such a standard, when it is being introduced for the purposes of consumer protection, is whether it matches the popular perception of what free range production would involve.

As the Choice study indicates, most consumer perceptions of free range go rather beyond the provision in Box 3. For example, they include access to pasture, and make reference to the amount of outdoor space available. About half of consumers, according to the study, see procedures such as beak trimming and wing clipping as incompatible with free range.

If the standard is to match consumer expectations it needs to be expanded to deal with more than the mere frequency with which hens have access to an open range.

As drafted, the definition of free range also leaves a fair bit of scope for manipulation. How frequently is it permissible for producers to determine that there is a threat of predators, or to invoke the exception for days when a bird receives medication? Is it acceptable for a producer to allow birds out on only 51% of 'ordinary days'? Reading the wording suggested in Box 3 does not fill me, as a consumer, with great confidence that it could not be circumvented by an unscrupulous producer.

Provision of information about production methods

Option 2 (b) would establish a requirement for labels to indicate stocking density. This would provide a valuable piece of information to help consumers distinguish between different producers who met the basic standard for free range.

The question of whether this is an "appropriate factor on which consumers can base their choice" (Q25, page 26) is actually a matter for consumers, individually, to determine. The reason for including density information on labels is the fact that many consumers (such as myself) do in fact perceive stocking rates as important. They therefore need this information in order to make informed decisions.

In my view, the stocking density on the label should be the maximum density which occurs at any time, so the outdoor stocking density should be the density when all birds are outside (Q26, page 26).

The labelling requirements should be sufficiently prescriptive to ensure that the information can be readily found and read, say by a supermarket shopper. A requirement as to size and type might therefore be appropriate (Q27, page 26).

However, the labelling standard could usefully go much further in ensuring that consumers who are concerned about animal welfare have adequate information on which to decide which eggs to buy. A standard could require the provision of some additional basic information about production practices, such as debeaking, and the production environment, for example whether there was access to pasture.

To the extent that this information could be provided directly on labels, it would add little to costs as compared to Option 2(b), given that there would still only be one label change required.

However, another possibility that could be considered is requiring labels to contain a reference to a website with prescribed information on production methods. This would allow consumers access to more extensive information about production methods than could easily be incorporated in a label. Producers could even be required to include representative pictures of the production facility.

The aim of the information standard should be not just to prevent producers from making misleading claims about whether their eggs are free range, but to give consumers who are concerned about animal welfare all the information they need to distinguish between suppliers. It would provide the basis for genuine competition between suppliers to satisfy public demand for eggs that have been ethically produced.

Conclusion

In summary, of the options provided I basically support Option 2(b), though I would have no great problem with the extension of labelling requirements to cage and barn eggs, as contemplated by Option 3.

I do not believe that setting standards for a wider range of categories of egg production would necessarily be helpful to consumers.

However, to be really effective in providing maximum benefit for consumers, the standard needs to cover more than Option 2 (b) contemplates.

The labelling standard for free range eggs should not only limit the use of the term 'free range', but also guarantee consumers enough information about free range production methods to allow them to make informed choices between suppliers.

The cost of requiring additional information on labels or on a separate website need not be great for producers if the information is reasonably basic and well defined. However, the benefits for the consumer in terms of informed choice would be great, and this should lead to all the welfare benefits of a properly functioning market, in which both producer and consumer choices are based on accurate information.