



Egg Labelling Review

The Australian Egg Corporation Ltd (AECL) set a time bomb running when it revealed plans for new egg industry production definitions and standards in the middle of 2010. Few egg farmers and no consumers, were aware of the implications of draft proposals which were first revealed in a series of industry workshops which started to trundle around the country in May.

The notification to AECL members simply referred to production systems and labelling workshops and read:

Based on results obtained from AECL's recent consumer research, workshops will be held for Australian egg producers to discuss current challenges that are confronting our industry, potential resolutions to the misconceptions held by the general public and proactive measures that could be adopted by the egg industry.

The key issues to be discussed include:

- Awareness, and definitions of egg production methods, and how this relates to purchasing habits;
- Integrity & ethics of egg producers and egg production;
- Perceptions of on-pack labelling and production/brand statements made by egg producers;
- Attitudes toward bird husbandry practices (actual and perceived);
- Significance and value of a robust Quality Assurance scheme.

There was no mention in any of the notices sent out by AECL that new draft standards had been prepared and would be presented at those meetings.

The standards revealed for cage and barn egg production showed little change and have caused no comment. But the draft standards drawn up for 'free range' production galvanised the industry into action and sparked a request to Federal Agriculture Minister Senator Joe Ludwig to establish a clear national definition for 'free range' egg production.

At the core of the proposed changes was a seemingly innocuous proposal. Allowing a stocking density of one to two chickens per hectare.

The reality was that the proposal took the current maximum allowed by The Model Code of Practice for the Welfare of Animals – Domestic Poultry version 4 from 1500 birds per hectare to a potential 20,000. At this figure, the nutrient load would be likely to have significant off-site impacts and would not be environmentally sustainable.

The Australian Egg Corporation claimed that it had conducted consumer research involving 5000 people which demonstrated that egg buyers were happy with the higher stocking density – but has refused to supply details of the questions and the methodology used in its survey.

From the limited information which AECL has revealed, it seems that selected consumers were provided with an electronic device which showed a patch of green, and by moving a cursor, were able to select the number of chickens which they felt was suitable as a stocking density on that patch of green.

There was no attempt to select consumers who were existing buyers of free range eggs, in fact there was a clear bias to ensure that free range egg purchasers were a small minority of the sample.

Since the Egg Corporation survey, the Free Range Farmers Association Inc. conducted its own survey of consumers who actually bought free range eggs. The results demonstrated complete opposition to the AECL proposal.

Information was sought from consumers on-line and face to face with customers at Farmers' Markets attended by members of the Free Range Farmers Association during July and August 2010.

The responses were to the statement:

The Australian Egg Corporation has revealed plans to change 'free range' standards to allow egg farms to beak trim their hens and to increase the maximum farm stocking density to 20,000 chickens per hectare. We believe that the maximum stocking density should remain at 1500 chickens per hectare and that beak trimming should be prohibited in free range flocks.

As sponsor of the on-line survey, FRFA also had the following statement on the survey site:

We are a group of free range egg farmers with strict standards - such as a stocking density of just 750 chickens per hectare, a maximum of 1000 birds per shed and de-beaking (or beak trimming) is prohibited.

On-line and paper-based survey results

On-line survey signatories	2396
Paper survey signatories	1254
TOTAL	3650

All signatories disagreed that the draft standard reflected their views of the term 'free range' and believed that the proposal was unacceptable

Precise information was not gathered about all participants in the survey but the overwhelming majority were regular purchasers of free range eggs. More than 1000 responded to the survey at Farmers' Markets while they were purchasing eggs.

The results of the consumer survey were sent to the Egg Corporation and to Senator Joe Ludwig, to demonstrate clear opposition to the proposed labelling changes but there has been no indication that the Australian Egg Corporation is having second thoughts.

The latest comment on the issue from James Kellaway, Managing Director of the Egg Corporation was that he expected the new stocking density level to come into effect by January 2011.

He made the statement in November to UK publications Farmers Weekly and Poultry World.

In the same article, Mr Kellaway insulted existing free range farmers by suggesting that they were not commercial. He said that he "didn't believe producers working to the current stocking density could be commercially viable.

"The stocking rate needs to be high enough so it is achievable, but low enough that it is clearly differentiated from the other two standards, barn and cage. It needs to be obtainable on a commercial scale."

There are many existing commercial free range egg farmers in Australia who are perfectly happy with the stocking density limits imposed by the Model Code and restrictions on de-beaking or beak trimming birds.

It is true that some accredited free range farms are small operations with less than 1000 laying hens, but that doesn't mean they are not commercial. There are others throughout Australia with up to 80,000 birds, providing significant employment in their local communities. On any test they are commercial farms designed to operate as businesses.

There is no link between commercial egg production and the stocking levels being pursued by the Australian Egg Corporation. The only driver for this proposal is the demand by major cage egg producers who want to branch out into a form of 'free range' production which will enable them to capture higher prices from consumers without the additional costs of genuine free range production.

Supermarkets such as Coles have added to this clamour by announcing a phasing out of its home brand cage eggs and a cut in the price of its home brand 'free range' product.

The industry believes that consumers will be seriously misled if stocking density limits are raised significantly and have called for any intensive production system which does not meet the current standard to be labelled as 'cage free' or barn laid rather than misuse the term 'free range'.

In preparing its draft standard, AECL has ignored its own environmental guidelines for egg farms which were released two years ago.

The guidelines state:

6.3. Stocking Density

In accordance with the Egg Corp Assured Program and the Model Code of Practice for the Welfare of Animals – Domestic Poultry 4th Edition, the egg industry has agreed maximum stocking densities for birds.

Management practices include:

- *Not stocking birds at densities exceeding those prescribed in the Code.*
- *Not stocking birds at densities exceeding those prescribed in any relevant state regulations. This is a mandatory requirement.*
- *Consider reducing stocking densities below the mandatory requirements if the specific conditions on the farm don't allow the prescribed densities to be used without unacceptable impacts on bird health and welfare or the environment.*

Sales of free range eggs have jumped from around 15% to 28% in just a couple of years, demonstrating a huge consumer swing towards the free range sector.

The rapid increase in demand has already led to problems with the current system but the proposed changes will make it worse.

Revelations in August this year by the respected industry body, the Poultry Co-operative Research Centre, that the term 'free range' didn't mean what people thought, shocked some in the industry. But it merely confirmed what many of us had been complaining about for years.

A project about enriching the range area for free range birds showed that on average, only 9% of birds on free range farms actually used the range area. The rest simply stayed in their sheds.

http://www.poultryhub.org/index.php/EChook_News/Enriching_the_range_to_reduce_feather_pecking

The CRC revelation sparked some debate, and was probably one of the reasons for Egg Corporation MD James Kellaway to tell The Land publication in December that allowing increased stocking densities on free range farms would 'improve' industry standards.

In the article Mr Kellaway revealed that some 'free range' egg producers currently have a stocking density of 50,000 birds per hectare. And he claimed that the majority of egg producers believed introducing the 20,000 cap early next year would improve industry standards, not make them worse.

"We need to moderate the whole process and take into account the science effectively clipping the wings of those producers who are currently running with inappropriate numbers" he said.

"We don't want open slather, but we don't want to disenfranchise producers who are being put under increasing pressure to produce eggs at lowest possible costs."

The industry believes that if the Egg Corp is aware of any farms breaching the Model Code of Practice for the Welfare of Animals – Domestic Poultry, to the extent claimed (the Code stipulates a maximum stocking density of 1500 birds per hectare) it has an obligation to report those farms to the ACCC and to the relevant State authorities.

<http://theland.farmonline.com.au/news/nationalrural/agribusiness-and-general/general/stocking-rate-cap-for-freerange-hens/2016077.aspx>

<http://theland.farmonline.com.au/news/nationalrural/agribusiness-and-general/general/egg-fight-comes-to-boil/2022395.aspx>

Push to re-allocate funding for free range promotion

The national Free Range Egg and Poultry Association of Australia Inc. and the Victorian-based Free Range Farmers Association Inc. have both written to Federal Agriculture Minister Senator Joe Ludwig, asking him to change legislation to better promote free range egg production.

Currently a levy is collected from all egg farmers under the Primary Industries Levies and Charges Collection Act 1991 for industry promotion and the money is handed to the Australian Egg Corporation Ltd.

The free range bodies have asked the Minister to amend the Act to allow the portion of funds collected from free range producers to be allocated specifically for the promotion of free range eggs.

“We have no confidence that the AECL has any interest in representing the interests of the free range egg industry,” said Phil Westwood, President of the Free Range Egg and Poultry Association of Australia.

“The AECL's preparation of a draft 'free range' standard ignores experience overseas and in this country. We have found nowhere in the world where a free range stocking density of more than 2000 laying hens per hectare is allowed, and the unacceptable proposal demonstrates that the AECL is out of touch with the industry.” he added.

Phil Westwood

Free Range Egg Farmer

Environmental Auditor

Former Egg Corp Assured Auditor

President Free Range Egg and Poultry Association of Australia Inc and spokesman for

Free Range Farmers Association Inc