

FUTURE FOOD & FIBRE

Freeranger Eggs: Proof that profit needn't come at the expense of the environment

"A business is sustainable if you can keep doing what you're doing, the way you're doing it, forever."



EAST GIPPSLAND
CATCHMENT
MANAGEMENT
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Port Phillip and Westernport



Australian Government

Department of Agriculture, Fisheries and Forestry





“Our business is low intensity, low impact, and great fun.”

Freeranger Eggs (Anne & Phil Westwood)

Location: Grantville, West Gippsland (Port Phillip—Westernport)

Average rainfall: 1000mm

Property size: 200 acres (100 acres native vegetation)

Systems in place: EMS, Free Range Farmers farm accreditation, quality assurance program, council-approved food safety program, Trust for Nature covenant, Land for Wildlife Scheme, rotational grazing/roosting, regenerative agriculture practices.

Enterprise: free range eggs, also beef and sheep

Pasture base: native grasses, rye and clover

Soil types: alluvial granitic sandy loam (low ph)

Environmental management: awareness of off-farm impacts and commitment to minimising those impacts through low intensity, diversified farming, protection of remnant vegetation and riparian areas, vegetation of all creek lines, minimal chemical use, use of chicken manure as fertiliser, stock protection using Maremma dogs, solar power.

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This small Gippsland agribusiness is proving that profitability needn't come at the expense of the environment. Operating on about 60 acres, with less than 1000 chickens, Freeranger eggs is a low intensity, cost-effective enterprise that is demonstrating a real commitment to protecting biodiversity in the region.

Freeranger's environmental credentials are a valuable marketing tool, with consumers willing to pay a healthy premium for its eggs. But while consumer awareness about biodiversity is rising, the proportion of producers successfully protecting their natural resources is not.

Freeranger's owners, who are both heavily involved in environmental management programs within Gippsland, say that biodiversity in Victoria is actually declining.

Many endangered and threatened species live on and around the Westwood's property, including potoroos, bandicoots, powerful owls, lace monitors (pictured right) and the swamp antechinus.



Overview

When Anne and Phil Westwood purchased their Bass Valley property some 23 years ago, they quickly recognised its significance to wildlife in the area. The property, which fronts the Bass River, contains part of the only riparian forest remaining on the river. It also provides the only vegetated link between the forest and the Grantville Flora and Fauna Reserve. Without that corridor, many local species of wildlife would perish.

Anne and Phil placed a Trust for Nature covenant on the land comprising the riparian forest and wildlife corridor. The covenant (which costs nothing, and can provide financial benefits such as tax concessions and fencing and rate rebates) will continue to protect that tract of land, even when the property changes hands.

Protecting the native vegetation reduced their options, however, when it came to making a living from the land. As well as having less land available for production, Anne and Phil were conscious of the negative impacts conventional farming can have, particularly on riparian environments. They needed a low intensity, low input enterprise that would pose minimal risk to the environment – but still provide them with a regular and consistent income.

The solution came in the form of free range egg farming, carried out as part of a diversified farming enterprise that includes free range and chemical free beef, lamb and wool. All Freeranger's hens have 24 hour access to pasture, and are free to roam and roost in open

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paddocks. Numbers are kept low to avoid the problems that trouble larger, more intensive operations, such as parasites, stress, cannibalism and effluent management. This avoids the need for expensive and/or chemical treatments, which keeps costs low and also minimises environmental risks.

Anne and Phil work on average three days a week, and could expand the business if they wanted to. At the moment, however, Freeranger meets their financial and environmental objectives, “while still being fun”. It also allows them time to pursue environmental change on a broader scale – Phil as an accredited EMS auditor and Port Phillip & Westernport CMA board member, and Anne through her significant involvement with Trust for Nature, Wildlife Rescue and Friends of Bass Valley Bush Landcare Group.



“We couldn’t do this without them,” says Anne, of the five Maremma dogs that guard the hens from foxes and other predators.

Resource base

In purely monetary terms, Anne and Phil’s most valuable asset is their land. However, the biodiversity existing on and around their land is extremely valuable to them, both personally and as part of their business, and is regarded as an asset in its own right. Protecting and enhancing that biodiversity is therefore fundamental to the Freeranger business.

Anne and Phil’s commitment to protecting their on- and near- farm biodiversity, and their environmental credentials, are also important business assets. They allow Freeranger to differentiate its eggs from others in the market, and create a niche brand for which consumers are willing to pay a premium. They also go towards securing Free Range Farmer accreditation, which give consumers confidence to purchase their product.

Freeranger is a labour intensive business, with all eggs collected, sorted, polished and packed by hand. Anne and Phil are Freeranger’s only human workers, but the five Maremma dogs used to protect the hens are invaluable. “We couldn’t do this without them,” says Anne, explaining how, even with electrified net fencing surrounding each paddock, foxes are able to get in and destroy large numbers of birds.

Being truly free range (the hens have 24 hour access to roosting houses but are never confined to a shed), infrastructure on the property is minimal. Apart from the air conditioned shed used for sorting and storing eggs, the main infrastructure comprises four or five Electro-netted paddocks, eight mobile roosting houses, and solar units for fencing and lighting.

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Profit

Demand for Freeranger eggs is high, particularly from Phillip Island during the tourist season. The business provides Anne and Phil with a reliable and regular income, but also gives them both enough time to carry out their off-farm environmental work.

While Anne and Phil are not profit driven, they have a good grasp of their production rates, costs and profit margins. They currently have 850 hens (there is scope to increase that number to 1100 and still retain the integrity of the business) and keep a daily egg tally for each flock. Total egg production is roughly 25,000 dozen eggs per year.

Freeranger's production costs equate to approximately \$2.30 per dozen eggs. With no direct labour or fertiliser costs, most of this figure (well over \$1) relates to feed. "The big difference between us and non-free range is that we can't buy in bulk," explains Phil. "We could probably reduce our costs by growing our own feed, but it would increase our workload, which we don't want to do."

The Westwoods are in the enviable position of being able to expand the size of their business, or increase prices, to increase profit—but choose not to.



Freeranger eggs are sold at the farm gate for between \$5 and \$7.50 per dozen, depending on size. Anne and Phil are aware that some retail outlets charge a significant premium for Freeranger eggs, and that there is scope to improve profit by increasing prices. They would prefer to maintain their current prices, however, and only raise them in response to an increase in their own expenses.

Almost half of Freeranger's produce is sold through Farmers' Markets which provide an effective outlet for sales direct to consumers. Some eggs are home delivered, and others sold to restaurants and small retail outlets such as health food and fruit and veggie shops.

"The advent of farmers' markets here in Victoria has provided a great opportunity for small and medium-scale farm businesses to sell produce direct to the public rather than rely on wholesalers who generally make most of the money out of sales," says Phil.

"We think that our mix of sales direct to consumers and through retail outlets provides a great balance. The restaurant and retail trade gives a consistent base volume for sales, while the markets and home deliveries improve the bottom line."

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Aside from changes in the costs of their inputs, the main factor influencing profitability is the weather. Egg production drops off in response to severe weather, particularly heat. With climate change causing our summers to become hotter and longer, maintaining vegetation throughout the property for shelter remains a priority.



Being truly free range, the business can be hit hard in bad weather. Native vegetation around the hens' paddocks provides valuable shelter, as well as food.

Environment

The principles and systems underling EMS are evident in every aspect of the Freeranger business, from the initial decision to operate at low intensity to protect biodiversity, to the use of cardboard, rather than plastic, cartons.

"EMS makes you think a lot more about what you're doing," says Phil, adding that the egg industry is seeing an uptake in the number of producers adopting EMS because it's being recognised as a good industry standard. "It's a tool that helps you integrate environmental management into your daily operations, long term planning and other quality management systems. Just as a financial management system monitors a business's financial health, an EMS monitors its environmental performance."

Once they decided to operate as a free range egg farm, the key environmental risks Anne and Phil identified related to nutrient run-off. With Bass River frontage, and two creek lines running into the river, the risk of water contamination is high, as is damage to the riparian vegetation.

Anne and Phil manage that risk by keeping stock numbers low, maintaining the vegetation on their creek lines, excluding stock from all riparian areas, and not using any additional nutrients to fertilise. The use of mobile roosting houses that are moved regularly (generally once a week) to a different place in the paddock, ensures that effluent is spread evenly throughout the property.

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Chemical use also poses an environmental risk. Instead of baits, Freeranger uses Maremma dogs that are trained to guard livestock from predators such as foxes. Whenever possible, Anne and Phil use natural remedies for parasite control, such as putting aromatic herbs in the nesting boxes and cider vinegar in the hens' water.

All Freeranger hens are inoculated, and if birds show signs of disease, will be treated conventionally if necessary. Disease is extremely rare, however, amongst Freeranger hens. Phil attributes this to low numbers and open space (cramped conditions harbour more disease, and cause hens to become stressed), and a degree of natural immunity that comes from using a variety of different breeds.

Monitoring and encouraging biodiversity is an important part of the Freeranger business, and protecting the native vegetation in and around the property is a priority. They have planted a few small plantations, which also provide valuable shelter, and have fenced off all of their riparian land. The hens are able to venture into the shelter belts, with beneficial results - helping to spread the seeds of native plants, such as kangaroo apples, which now grow in their paddocks.

The size of the Freeranger business allows its owners to carry out environmental work within their community, with organizations like Wildlife Rescue.



People

With a labour intensive business such as this, it is important that the needs of the people working within the enterprise are met. It is obvious that both Anne and Phil get a great deal of satisfaction from the business, both at a grass roots level, and as a vehicle for raising environmental awareness (see www.freeranger.com.au).

Keeping the size of the business at a level that each partner needs only work three days a week ensures that the job remains (in Phil's words) "great fun". It also means that both Anne and Phil have sufficient time to devote to other areas of their lives and their community, particularly their work for environmental change.

Summary

In Phil's words, a business is sustainable "if you can keep doing what you're doing, the way you're doing it, forever." With its excellent environmental risk management, low impact approach, and care of its human resources, Freeranger Eggs is proof that profitable *and* sustainable businesses can and do exist in Gippsland. Anne and Phil encourage anyone interested in learning more about sustainable farming, and the role of biodiversity, to visit their farm – either in person, or via their website (www.freeranger.com). If visiting in person, please contact Phil on 0402 070 531 to make an appointment.



Environmental management within the egg industry

Freeranger Eggs is a very small player in a large industry. The Port Phillip-Westernport region, in which Freeranger operates, ranks as Australia's third largest egg production region, accounting for more than 12% of Australia's national flock (1.8 million hens).

The national egg industry body, Australian Egg Corporation Limited (AECL), has identified environmental management as the key factor affecting the long term sustainability of the industry. With support from the National Heritage Trust's Pathways to Industry EMS project, AECL has expanded its Egg Quality Assured program to include environmental management. More than 60% of Australia's commercial egg producers comply with the program, and this number is rising. Phil Westwood is a licensed EQA auditor.