

**Proposed Australian Animal Welfare Standards and Guidelines
(Poultry)**

Submission to the Regulatory Impact Statement



Introduction

Sunny Queen Pty Ltd, trading as Sunny Queen Australia is one of the leading marketers and sellers of eggs in Australia.

Sunny Queen is the number one proprietary branded product in the major retailers - Coles and Woolworths, and sells eggs through all channels of sales (retail, foodservice and export).

The business was an unlisted Public Company from 1994 – 2003. It was privatised in 2003 and remains 100% Australian Farmer Entity owned equally by the Hall and McLean families.

Sunny Queen markets and sells every major production type (Cage, Barn, Free Range and Organic Free Range).

Response to the Australian Welfare Standards and Guidelines - Poultry RIS Questions

The responses to the RIS questionnaire can be found in Appendix 1.

However, Sunny Queen's view is that there is also a need to ascertain what consumers think about Hen Welfare.

Being a market lead business, Sunny Queen undertakes qualitative and quantitative research across a broad spectrum of consumers. Our belief is that it is the consumer who ultimately decides which eggs they want to buy and why.

Major Points

- When showing people the current conventional cage system, they are surprised at how well the facility looks and the fact that the birds are not displaying any signs of stress.
The visitors also note that what they are seeing does not match up with the photographs appearing in the media of "battery" systems.
- In other words, the new conventional systems which are environmentally friendly to the birds were acceptable.
- Without good farming and welfare practices, the birds in cages would not be producing the highest quality eggs out of all systems.
- It is clear time and again from the reaction of visitors, that animal activists and their "misguided" reporting of old systems no longer in use, have had a negative impact on people. And quite clearly, when people visit a new conventional system, any welfare issues and concerns disappear.
- All production systems have positive and negative aspects but it is caged systems that provide the lowest mortality.
- Probably the most telling statistic on the whole debate of banning cage systems sits in the egg sales data:
 - Over 55% of all egg sales in Australia is from cage systems
 - Eastern Europe, South America, USA, Canada and the Asian region is dominated by cage production and sales

- If consumers wanted the cage system banned, the sales figures being recorded would not occur.
- Lastly, who is going to subsidise the poor or the families struggling to put affordable food on the table? Just ask Foodbank how dire the situation is.

Note: According to Foodbank, the rising cost of living is pushing 3.6 million people into food insecurity. (Foodbank Hunger Report 2017)

The cost of banning cage eggs will directly hit consumers at the checkout as cage free production costs more to operate.

Conclusion

- In all market research conducted, consumers believe that the hens are being cared for
- Animal Welfare is a concern but it is not the key driver for the majority of consumers who buy eggs, especially cage
- There is a lot of noise around “battery” systems which we know is false as the vast majority of cage systems are the more modern environmental conventional system
- The majority of the world’s production of eggs is from cage systems
- The banning of cage systems will lead to higher retail prices for eggs

Yours sincerely

A handwritten signature in black ink, appearing to read 'John O'Hara'.

John O'Hara
Managing Director/CEO
Sunny Queen Australia

Appendix 1

RIS Questionnaire Responses

RIS LOCATION 2.3.1 RISKS TO ANIMAL WELFARE

- 1. Do you agree with the summary list of advantages and disadvantages of layer hen farming systems in Part 2.3.1?**
- 2. Do you think that any advantages and disadvantages are missing from this list? If so, please include them below.**

In the Cage advantages section it is important to add that Cage production also has the lowest mortality rate of the farming systems, and has the lowest carbon footprint.

In the Free Range disadvantages section it would be pertinent to add that the Free Range system has the highest need for vaccines to inoculate from disease. Additionally, Free Range has the highest carbon footprint of the farming systems.

- 3. Do you think the risks to the welfare of poultry discussed in Part 2.3.1 are sufficient to justify the introduction of better standards and/or guidelines?**

Sunny Queen agrees that new standards and guidelines will clarify the welfare outcomes that are required of farmers.

- 4. Which of the above mentioned areas of risk to poultry welfare do you think are of the greatest concern?**

The activist sector is most likely to believe that an animals' freedom to perform "natural behaviour" is the most important welfare concern for poultry. However, Sunny Queen believes the most important welfare concern is mortality. The only scientific, measurable method of ascertaining the welfare of a hen is through assessment of biological functioning. Disease, predation and severe weather can greatly impact on the welfare of a chicken and the removal of cages could remove a production system that ensures that all of these welfare outcomes are no longer appropriately monitored. Sunny Queen understands that welfare is not solely concerned with biological function and giving consumers the option to purchase Free Range eggs allows them to make a decision about which welfare outcome is most important to them.

The bottom line is that animal wellbeing, rather than just welfare, is the most important point.

- 5. Are there any other areas of concern to poultry welfare? Please provide reasons for your answers, together with supporting scientific evidence.**

Sunny Queen is satisfied with the areas of animal welfare identified in this RIS.

RIS LOCATION 2.4.1 LACK OF CLARITY IN STANDARDS

- 6. In your experience, to what extent do the existing Model Codes of Practice (MCOPs) and related regulations create uncertainty for Industry?**

The confusing variant in the use of the words 'should' and 'must' creates confusion for farmers when following the current standards and guidelines.

National standards and guidelines would benefit farmers and hens. Often farmers from varying states experience confusion regarding where to locate their state's standards and guidelines and a national document would create a streamlined, less confusing process.

7. Does such uncertainty vary between different states and territories?

Each state or territory has its own set of laws governing poultry welfare which can vary. This is demonstrable when looking at the sections of state legislation that outline the penalties for non-compliance. In your experience, how does this type of uncertainty for industry adversely affect productivity? If possible, please provide some case examples.

The uncertainty associated with varying state-based animal welfare legislation means that farmers are unable to work efficiently. It is often difficult to access information about farmers' obligations to the community and to the birds they care for and this diminishes their ability to effectively farm and ensure animal welfare outcomes simultaneously.

RIS LOCATION 2.4.2 EXCESS REGULATORY BURDEN

8. Are you aware of any other poultry farming businesses in addition to those given in Part 2.4.2 that operate in more than one state or territory? If so, please list.

Many farms are integrated in different ways and the use of contracting farms infers responsibility for all assurance processes under specific brands.

9. In your experience, what is the effect of cross-jurisdictional inconsistencies on industry (i.e. even where jurisdictional standards are clear and verifiable)? If possible, please provide some case examples of where additional costs have been imposed on industry as a result of such inconsistencies.

National consistency is imperative. For smaller farms looking to expand their business beyond a single state, this requires a thorough understanding of animal welfare laws in multiple states. Unfortunately, for many smaller farms, access to this kind of legal knowledge is not a resource that is easily acquired.

Even for larger, more established farms, operation in multiple states can be confusing. Inconsistencies in state-based animal welfare laws can impact aspects of welfare. National standards are necessary and beneficial.

Also, there is variation in enforcing changes as was experienced with the last Code of Practice changes.

10. Do you think there needs to be national consistency in animal welfare standards for poultry? Please provide reasons for your answer.

Consistency in animal welfare law is imperative to ensure the appropriate standards for poultry welfare is maintained. It is the understanding of Sunny Queen that Animal Health Australia has received upwards of 10,000 submissions to this public consultation and it is this broad interest in the issue of animal welfare that indicates to us that it is no longer enough to rely on voluntary and inconsistent state-based welfare legislation. Sunny Queen calls for a national and enforceable standard of animal welfare that will decrease the current regulatory burden, provide farmers with clear regulation around care for animals, and provide the public with the comfort of knowing how hens are cared for around the country (as highlighted in point 9).

RIS LOCATION 4.2.4 OPTION B: (NON-REGULATORY OPTION – VOLUNTARY NATIONAL GUIDELINES)

11. Do you think that the net benefits to poultry welfare likely to achieved under Option B, are justified?

12. Would the combination of costs and benefits under Option B be preferable to other options?

No.

RIS LOCATION 4.2.5 OPTION C: (THE PROPOSED NATIONAL STANDARDS AS DRAFTED)

13. Do you think that the proposed national standards under Option C reflect community values and expectations regarding the acceptable treatment of poultry?

Yes.

14. Do you believe that the net benefits to poultry welfare likely to be achieved under Option C, are justified?

Yes.

15. Would the combination of costs and benefits under Option C be preferable to other options?

Yes.

RIS LOCATION 4.2.6 OPTION D: (VARY THE PROPOSED STANDARDS [OPTION C] TO INCLUDE PHASING OUT CONVENTIONAL CAGES FOR LAYER HENS)

16. Do you believe that the net benefits to poultry welfare likely to be achieved with a 10 and 20 year phase out of conventional cages under Option D, are justified?

No.

17. Would the combination of costs and benefits under variations of Option D be preferable to other options, either as a stand-alone option or in combination with other options?

No.

RIS LOCATION 4.2.7 OPTION E (VARY THE PROPOSED STANDARDS [OPTION C] TO REDUCE MAXIMUM STOCKING DENSITIES IN BARNS OR SHEDS FOR LAYER HENS AND MEAT CHICKENS)

18. Do you believe that the net benefits to poultry welfare likely to be achieve under Option E, are justified?

No.

RIS LOCATION 4.2.8 OPTION F (VARY THE PROPOSED STANDARDS [OPTION C] TO REQUIRE THE AVAILABILITY OF NESTS, PERCHES AND LITTER FOR ALL CHICKEN LAYERS IN CAGE AND NON-CAGE SYSTEMS)

19. Do you believe that the net benefits to poultry welfare likely to be achieved under Option F, are justified?

Yes.

20. Would the combination of costs and benefits under Option F be preferable to other options, either as a stand-alone or in combination with other options?

No. Option F is not feasible for industry to implement at this time.

RIS LOCATION 4.2.9 OPTION G (VARY THE PROPOSED STANDARDS [OPTION C] TO BAN CASTRATION, PINIONING AND DEVOICING, HOT BLADE BEAK TRIMMING AT HATCHERIES, AND ROUTINE SECOND BEAK TRIM)

21. Do you believe that the net benefits to poultry welfare likely to be achieved under Option G, are justified?

Option G will require greater consultation between government and poultry professionals in industries other than farming. Sunny Queen remains eager to ensure these welfare benefits can be better defined and further understood through the development of the decision RIS.

22. Would the combination of costs and benefits under Option G be preferable to other options, either as a stand-alone option or in combination with other options?

No.

RIS LOCATION 4.3 PREFERRED OPTION

23. Which of the Options A, B, C, or combination of one or more Options D,E, F, or G, in your opinion would provide the greatest net benefit for the Australia community?

It is the position of Sunny Queen that Option C would provide the greatest net benefit for the Australian community. This option upholds the necessity of national and enforceable standards that ensure optimal animal welfare outcomes. This option requires farmers to contribute significantly to compliance costs and our commitment to this option should demonstrate our commitment to animal welfare.

As noted, regulation should not exceed the scope of the problem that it seeks to address. The problem that this consultation seeks to address is that Australia's existing model codes for the welfare of domestic poultry are now 15 years old and that it is appropriate that animal welfare be managed through regulatory standards that are clear and verifiable for the purposes of implementation and enforcement. Sunny Queen understands that this is an opportunity to address other elements of animal welfare but encourages governments to critically consider the costs that radical change could have on an industry that employs thousands of Australians and feeds many more.

24. Do you have any further information or data would assist in the assessment of the impacts (costs and benefits) expected under each of the options/variations?

25. Do you think that any of the Options A to G are likely to have disproportionate impact on small businesses compared to medium and large business?

Wholesale regulation applied uniformly to a sector is likely to disadvantage smaller producers more significantly than others. We note that this is particularly the case with Options D-G.

In particular, Option F would similarly impact on small businesses. For small egg farms to have the confidence to invest in such costly infrastructure as furnished cages, the industry would have to be stable enough to ensure their viability and compensation from government would help remove the risk of bankruptcy. Neither of those factors are currently in play and therefore, the cost of implementation has a large likelihood of pushing smaller farms out of the market.