

Dear Animal Health Australia

I am the General Manager of Golden Eggs in Perth. I have been working in this industry since 1994. I have worked mainly in the operations and administration side of the business but have had a reasonable amount of contact on farm during the formulation of quality systems to meet the requirements of Egg Corp Assured (now ESA) and later standards for Coles and other major customers.

Animal Welfare and the general health of flocks feeds into better outcomes in a number of crucial areas in the eggs business. If the birds are healthy they are more productive. If they look and present well auditors and customers are reassured that the bird welfare is taken seriously on the farm. Many large operations similar to the one we run come under a substantial amount of scrutiny. This is due mainly to food safety and animal welfare concerns. Our farms are open to scrutiny at all times and are regularly visited by customer representatives, local government representatives, Department Of Health, and other departments with oversight over agricultural and food.

Bird welfare is central to achieving better outcomes in productivity. Healthy hens lay more eggs. Healthy hens live longer. Healthy hens look better and are a marketing advantage in pitching to large customers.

It is our experience that hens perform better in cage systems. They are healthier with fewer mortalities in the cycle and do not require veterinary intervention or medication. Since 2012 there has been a substantial uptake of free range eggs due to lower pricing at the retail level. Our experience has been that the husbandry of free range birds has been significantly more challenging. Some of these have been met with more extensive vaccination programmes but there are several with significant impact on productivity and mortality for which there is as yet no medical remedy. It is now looking likely that even in the longer term productivity for free range systems will be lower and mortalities significantly higher.

In addition very many in the industry including ourselves are very concerned about the impact of an outbreak of Avian Influenza or Newcastle Disease both of which are popping up with increased frequency here and overseas. Avian Influenza is the bigger threat of the two as it appears to be endemic in wild water fowl. Outbreaks with very large consequences are occurring (US 10% of the flock depleted, Hens not allowed to range in Europe last year). These diseases are very difficult to prevent in free range systems because the birds have access to wild birds on a regular basis. A large outbreak could bankrupt our business. The probability of this occurring increases with more exposure to the free range market.

Of course if there was a significant Avian Influenza outbreak in Australia egg prices would rise very sharply and there would be shortages.

There has been a move away from the current cage hen systems to furnished cages in other places most notably Europe. The split between cage and free range production has achieved a balance at approximately 50:50. It is unlikely that egg producers in Australia will move to furnished cages given the amount of regulatory instability and the opposition of the main animal welfare lobbyists to furnished cages. A ban on cages would therefore see a move to 100% free range production here. It is worth noting here that barn eggs have not found much support from Australian consumers and this may not change. The outcome will be an industry very exposed to environmental factors and disease causing large fluctuations in egg availability. As it stands the egg industry is under significant pressure from the major retailers. Our business model is low margin- high volume. It doesn't take a lot to have a devastating effect. I refer you to the milk industry which even though it is a much larger industry has been devastated in several states following price pressure from major retailers.

The campaign to ban cages being undertaken by the RSPCA and Animals Australia is not entirely honest. Images being shown as typical cages appear to be 50 years old and do not reflect modern installations. All of the major egg producers (representing 90% of output) have modern systems with air conditioned rooms and continual manure removal. The cages normally house 5-7 birds and our experience is that birds move around quite a lot. The birds are normally very healthy and fully feathered in modern systems.

Hen welfare has been in the news almost constantly in recent years mainly through the efforts of the these campaigners. Most recently there have been news reports that the RSPCA has conducted a poll of consumers with greater than 80% agreeing with a ban on cages. As a counter argument to this there is a silent survey going on every day at the egg aisle of the supermarket. The outcome there is more 50:50. When you move away from the major retailers to discount shops and fruit and vegetable outlets the vote of the shopper is 70% cage 30% free range.

In summary egg producers have moved with market forces to supply more free range when that is in more demand. We should let market forces decide the direction and speed of any further movement.

Regards

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