

Dear Animal Health Australia

As the Managing Director and spokesman for the Pirovic Family farming operation, I am pleased to provide a submission to the standards and guidelines process.

I am one of six Pirovic Boys that own and operate our family egg business "Pirovic Family Farms "on the outskirts of Sydney and at the foot of the Blue Mountains in NSW.

My Grandfather, Father & Uncle along with their wives started egg farming after migrating to Australia shortly after the Second World War. They arrived from Croatia part - the former Communist Country Yugoslavia. They came here to pursue out a new life. My Grandfather grew up in a poor family and lived in a small town on the island of Korcula. At the aged of eight he was sent to the other side of the country away from his family to work and to survive - hopefully to send money or food back to his family to help them survive.

My Grandfather allowed my father Petar to leave his home at the age of 15 to come to Australia to search out a new life for the Family. Petar arrived in Perth, Australia at the age of 15 and found work then moved to Melbourne, then finally settled in Sydney, working to pay his passage to Australia, he worked and cooked for the owners of a fish market at Manly and slept in the back storeroom of the fish shop. Over the next two years he worked to bring his father and mother, brother and his wife and sister to Australia. Now with the family resettled in Australia they worked and lived together, the decision was made to buy some land in the outskirts of Sydney and start an Egg farm. He didn't know much about the poultry industry, but he understood what it was like to be hungry; to have no money and not enough food to eat. He wanted to make a difference, to help provide food for the nation.

Pirovic Family Farm have now been in the Egg industry for over 52 years and are now moving into the third Generation of egg farmers.

Our family started farming with as little as 50 hens and 52 years later producing eggs from over 800,000 hens, we are producers of Cage, Barn, Free Range, Organic Free Range and further Egg Products.

Our family have been dedicated to producing eggs to feed the nation, in the beginning we started off as a small 50 hen free range farm but it became apparent to us very quickly that the industry and the consumers had moved on and were required to produce a low cost, high quality, healthy and safe product to feed their families. The Australian Egg Industry moved completely to the new modern cage systems of the time, these systems were being implemented all over the world. The cage systems were brought about not only to kerb the obvious problem of low cost production, but to solve a long list of animal and human health wellbeing concerns. The animal health, welfare and wellbeing concerns such as disease, preventative medicating for many types of health problems experienced in the keeping of hens for egg production and animal husbandry problem were addressed. Through the use of modern cage systems it became relatively medication free, mortality was drastically reduced and brought under control, the husbandry, welfare and wellbeing of the hens, this being the most important concerns were addressed, the food safe issues along with the human health issues e.g. salmonella etc, were also addressed.

The cage system revolutionized the egg industry in Australia and the humble egg very quickly became a high quality, high protein, affordable and a safe product for consumers to feed their families.

This is the history of my family and it informs my view of egg farming. There is value in what I do and I am proud of our work to develop better farming systems that give us more eggs and healthier hens – and food for Australian families.

Animal Welfare

Is an emotive and highly controversial issue.

The modern day retailers along with the Animal Welfare industry are capitalizing on this issues by developing a perceived argument that free range eggs stand for better welfare for the hens and a better more healthier egg for the consumer because the hens are free range or not in a cage. This manipulation of the modern consumer is delivering both retailers and the animal welfare industries significant opportunity to extract massive profits or membership dollars, thus it is in there interest to drive this issue and make the issue as controversial as possible.

True welfare is to take into account the science and the practical application and gauge a measured outcome for the best wellbeing and intentions of the hen, not research to a perceived outcome. There are many arguments about the plus and minuses when it comes to free range or barn vs cage, if the emotion is taken out of the argument, we will see that whilst there are some benefits for all systems, but none of the production systems deliver the “Silver Bullet”.

Cage System

Positive Benefits of Cage vs Barn / Aviary Systems

- Hens in caged systems have higher welfare and wellbeing outcomes.
- Hens in cages are less likely to contract disease.
- Hens in cages need less vaccinations and are less likely to need medications.
- Hens in cages have lower mortality rates.
- Hens in cages are less likely to experience feather-pecking and cannibalism.
- Cage systems provide the farmer ability to inforce and maintain stronger biosecurity protection.
- Cage systems deliver better safe food safety protocols.
- Cage systems deliver reliable effective environments controls.
- Cage systems not having litter improves food safety, WHS outcomes.
- Cage systems provides a lower carbon footprint.
- Hens in cages are protected from predators and the elements.
- Hens in cages provide high production efficiencies.
- Hens in cages have a lower cost of production.

Negatives benefits of Cage vs Barn / Aviary Systems

- Hens are continuously confined in cages.
- Lack of perches, nests and litter for layer hens.

Barn / Aviary System

Positive benefits of Barn vs Cage

- Hens in barn systems are free to roam within a shed which may have more than one level.
- Barn systems allow for the expression of more behaviours than in a caged system (i.e. perches, nests and litter).

Negative Benefits of Barn vs Cage

- Hens in barns are more likely to contract disease (i.e. unclean and unhygienic litter faecal oral cycle means greater disease).
- Hens in barns need more vaccinations and are more likely to need medications than cage.
- Hens in barns have high mortality rates than cage.
- Hens in barns are more likely to experience feather-pecking and cannibalism than cage.
- Hens in barns would have a larger carbon foot print (less hens per shed which relates to 3 times more shed area needed than cage systems).
- Hens in barns create more dust and must be managed by farmers (WHS issue).
- Hens in barns have lower production efficiencies than cage systems.
- Hens in barns have a higher cost of production than cage systems.

Positive benefits of Barn vs Free Range

- Hens in barn systems have higher welfare outcomes than free range.
- Hens in barn systems have lower mortality rates than free range.
- Hens in barn systems need less vaccinations than free range.
- Hens in barn systems the farmer can maintain stronger biosecurity protection than free range (hens don't go outside).
- Hens in barns are protected from predators and the elements.
- Hens in barns provide high production efficiencies than Free Range.
- Hens in barns have a lower cost of production than free range.

Negative Benefits of Barn vs Free Range

- Hens are confined to the shed at all times

Free Range

Positive Benefits of Free Range vs Cage

- Hens in free range systems have access to an outdoor range where they are free to roam and forage during daylight hours.

Negatives Benefits of Free Range vs Cage

- Hens in free range systems have a lower welfare and wellbeing outcomes than cage systems.
- Hens in free range systems are more likely to contract disease than cage systems.
- Hens in free range systems need more vaccinations and are more likely to need medications than cage systems.
- Hens in free range systems have higher mortality rates than cage systems.

- Hens in free range systems are more likely to experience feather-pecking and cannibalism than cage systems.
- Hens in free range systems restricts the farmer to enforce and maintain strong biosecurity.
- Hens in free range systems have poorer environment controls than cage systems.
- Hens in free range systems have a larger carbon footprint (depending on shed size - less hens per cage shed which relates to approximately 2.5 times more sheds space needed and approximately 35 to 50 times more land for ranging areas, this is significantly greater than cage systems) e.g. 50,000 hen cage shed - foot print = 1,250 square metres vs 50,000 Free Range would require 52,500 square metres.
- Hens in free range systems have less protection from predators and the elements than cage systems.
- Hens in free range systems provide lower production efficiencies than cage systems.
- Hens in free range systems have a higher cost of production than cage systems.

Welfare, Media & Perception

In all production systems welfare and the wellbeing of the hen is regarded by the farmer as the most important protocol, it is in the interest of the farmer to keep his flock well fed, healthy and comfortable.

This protocol alone is the key to the existence and financial wellbeing of any farmer. Egg farmers often have been depicted in the media as cruel people that don't care about their hens and only care about profit, this misinformation has led to the consumer being manipulated into believing that big farmers are bad, cage egg farmers are bad, big free range farmers are bad, but small Free Range Farmers are good, when we all employ the same systems and protocols.

This ideology has slowly infiltrated into consumer groups with little or no science or evidence, just a perception that it is taken on board and the only people that appear not being listen to is the commercial farmers. I believe that a plumber understands plumbing, an electrician understand electricity, a doctor understands diseases, a specialist surgeon understands how to operate to rectify a medical problem, a farmer understands farming, so how is it that every profession in the world the person doing the job or practising the profession is considered somewhat the expert, but if you're a commercial egg farmer our expert views appear quiet often to be pushed to the side or ignored in favour of a perceptive populist view. It is common that media and the animal welfare self interest groups promotes that Australia should follow Europe and ban cages, this in itself NOT true - cages are not banned in Europe or the EU most countries if not all bar the Netherlands have an enriched cage system. In Europe over the past 5 years the retailers, animal welfare self interest groups and governments have been promoting the ban of cages on supermarket shelves and encouraging farmers to go to free range production, once this was achieved the retailers began to re-stock the shelves with imported cage eggs from other EU countries, sighting that their consumers need to have eggs that represent value for money. This was also played out in Australia, 2016/2017 Woolworths removed cage eggs from 135 stores predominantly in the ACT and eastern and northern suburbs of Sydney, after approximately 6 months had past Woolworths ordered that all stores re-stock with cage eggs, again sighting loss of sales to competitors and a need to stock a value for money egg line.

Cages & Financial Impact

It is currently argued during this process that cages should be phased out in five or ten or twenty years. Why? The cages have many benefits and not all consumers think that way, cage sales are still growing even with all the negative publicity, or is it just the animal welfare industry trying promoting its own idealistic views on the Government and Australian consumer. The commercial egg industry in 2000 embarked on a very heavy reinvestment programme for the future. The industry committed to comply with the 4th edition of the poultry model code of practice which was agreed to by governments, consumer groups, retailers, scientist, and the animal welfare industry. The industry just as our family did, reinvested for the future upgrades to our cage facility at a cost of \$27.5 million dollars, this transition from the old cage system started in 2005 and was finally completed in late 2012, this reinvestment is amortized over 30 years, so it would be financial suicide if cages were phased out. If we were to convert all our cages to free range our estimated cost would be in the order of \$63 million dollars, if it was financially viable it would take another two generations to pay off the cost of these changes.

Australian Egg Industry & Consumers

The Australian Egg Industry and its farmers as a whole over the past 30 years, I believe has fulfilled and maintained its social responsibility to the Australian consumer. The Australia egg industry has led the world in the consumer choice all without government intervention. In Australia our farmers have always been listening to the consumers providing an ever growing variety of production types and dietary diverse eggs available all the time in supermarkets around the country.

Consumers have a large variety, such as:

- Cage Eggs
- Grain Fed Cage Eggs
- Barn Laid
- Grain Fed Barn Laid
- Free Range 10,000 hens per hectare on the range
- Free Range 1500 hens per hectare on the range
- Certified Organic Free Range less than 2,500 hens per hectare on the range
- Certified Organic Free Range less than 1500 hens per hectare
- Organic Bio Dynamic Free Range
- Pasture Raised Free Range
- Omega Enriched Eggs
- Veggs Eggs

Most countries around the world the consumer up until a number of years ago they only had the availability of cage eggs on supermarket shelves.

Standards & Summary

Pirovic Family Farms supports the EFA and supports the mandatory standards because we as farmers need clarity, we need these standards so we can plan for the future. I don't believe it is the job of the government to tell consumers what type of eggs they should have available to buy or choose what system is better or worse or how to produce eggs, it is the governments job to give the egg industry a set of standards in all production systems so it can choose its own destiny and allow the farmers to

decide how or where they will invest for the future and allow the consumer to have the freedom of choice to decide the type of eggs they wish to purchase.

With growing concerns of population growth, food security and the ability to feed the nation into the future the Australian Government has a responsibility to the Australian people to look forward through the politics, misinformation and self interest groups and provide a standard that will deliver a strong viable egg industry that will help underpin the food security of our nation and deliver variety, high quality low cost protein to the Australian consumer.

Best Regards Franko Pirovic



PIROVIC ENTERPRISES PTY LTD
Trading as **PIROVIC FAMILY FARMS**
ACN 002 857 338
ABN 64 002 857 338

192 SIXTH AVE (PO Box 3071)
LLANDILO NSW 2747
Tel: +61 (02) 4777 4176
Fax: +61 (02) 4777 4871
Mob: 0408 445 444
E-mail: franko.p@pirovic.com.au