

## **OPINION EDITORIAL**

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### **THE PRESSING CASE FOR CAGED EGGS IN AUSTRALIA**

When you walk into a supermarket to buy eggs, you are faced with three distinct choices: caged eggs, barn-laid eggs and free-range eggs.

Eggs are the most affordable source of protein for all Aussie families and on average we each consume 247 eggs per head, each year.

Egg Farmers of Australia (EFA) is the lobby voice of Australian egg producers and represents farmers who operate within all three egg-production systems.

In total, our farmers produce 19 million eggs every day to satisfy the growing domestic demand for Australian eggs. This creates jobs and equates to a \$1.8 billion injection into Australia's economy. Like most small businesses, about 98% of egg farmers operate family-run farms.

When it comes to caged, barn-laid and free range eggs, all three farming methods are necessary in order to maintain a reliable and sustainable supply of eggs to your local supermarket.

Recently, however, there has been adverse publicity about caged egg production, fuelled by animal activists, a decision by Coles to ban caged eggs in some of its stores, and ignorance within the media.

Big retailers like Coles, and the national arm of the RSPCA, are behind a drive to ban caged egg farming in Australia in the misguided belief that other forms of egg production are in the best interest of laying hens. However, these birds are not mistreated. In discussing this topic, there are two issues worth exploring further: the economic consequences of the sudden removal of caged eggs from Australian agribusiness, and the humane welfare and treatment of the caged hens themselves.

Removing caged eggs from our production system, without a long-term plan and compensation, would be disastrous for many rural farming families, as well as those city families who rely heavily on eggs as a staple form of nutrition. For Coles, the idea is more about positioning itself as a 'corporate social citizen', than out of real compassion for Australian poultry.

Retail giants claim that axing the caged egg sector is what consumers want. However, the next time you visit a major supermarket, take a good look in the egg fridge. The chances are the shelf with caged eggs (the cheapest of all eggs to produce) is among the emptiest. This is because caged eggs are what many families

- especially those juggling tight household budgets in lower socio-economic circumstances - buy most. This is evidenced by the CSIRO, which reports that in Australia around 40% of all eggs sold in our supermarkets are cage-farmed.

The facts about caged egg farming are often distorted by those who do not understand the humane standards sustained by the modern industry.

In reality:

- Egg production systems are technologically far more advanced compared to 'battery hens' that were common in Australia in the 1970s.
- These days, unlike other countries, 'battery' hen farming (where a bird is tightly and uncomfortably enclosed in a single cage) is banned in Australia – and does not exist.

When comparing free range, barn-laid and modern caged eggs, it might surprise you to learn that:

- Of all natural foods, caged eggs are among the lowest cost protein available in your supermarket
- They are the cleanest eggs, with the lowest incident of disease amongst hens.
- And to ensure that consumer appetite for fresh eggs is sustainable, it's necessary that about 88% of the world's egg production is from caged eggs.

In terms of welfare, scientific research shows that caged hens are healthier and have the lowest incidence of disease. Antibiotics are not needed in this environment and the mortality rate is the lowest of any of the three production systems. Cage farming also offers the highest protection from predators, and because of a high level of on-farm biosecurity standards, it has the lowest need for vaccination.

Importantly, for the environment, caged farming has the lowest carbon footprint out of Australia's three key egg production methods. Believe it or not, it is free-range egg farming that leaves the highest carbon footprint. Free-range eggs also cost the most to produce and are more likely to cost the more at the supermarket. In free-range farming, eggs must be washed, antibiotics are required and both cannibalism and the mortality rates within free range flocks are higher than for any other farming method.

It is not surprising that the multinational supermarket chains want to close caged egg farms - because the sale of eggs produced under alternative farming methods - is likely to reap them higher profits per carton at the check-out. The likes of Coles (owned by Wesfarmers) should be warned that there are severe consequences for the entire country for closing down caged egg production. The best example that highlights this was in New Zealand.

When New Zealand announced that it was banning caged egg production, the nation's agribusiness sector was thrown into chaos. Some of New Zealand farmers, who had heavily invested in caged farming methods, were put out of business. As a result, many ordinary workers lost their jobs and the cost of eggs for consumers

skyrocketed. Supermarkets chains failed to keep up supplies and in the end New Zealand simply ran out of eggs.

The media reported that New Zealand was *'in the grip of an egg shortage as the industry undergoes a massive period of disruption while it transitions to free-range farming'*.

It's not only Coles, multinational fast food outlets like McDonald's have also moved to ban caged eggs from their kitchens.

So, what's the big problem? Currently, to maintain a sustainable supply of fresh Australian eggs for Aussie consumers, our egg industry needs to introduce 600,000 new hens into the egg production line every year. That's 600,000 extra hens each year, just to keep up with existing demand. Without caged eggs, this figure could not be achieved, resulting in a mass shortage of eggs Australia-wide.

Such a shortage (as already seen in NZ) would force Australian supermarkets and fast-food chains to import foreign eggs from places like Brazil or China. This result would be unacceptable. There are diseases in eggs in other countries that could wipe-out Australia's remaining egg industry, some of which could be passed to humans. While Australia has high standards in its eggs and egg producers – other countries do not.

As the sixth largest country in the world, Australia's population continues to rise, with expectations that we will reach 40 million people beyond the next decade. This upward trend will create an even greater demand for eggs, underlying the need to maintain current caged egg production as it stands. This is to ensure a sustainable and affordable supply of the protein.

When it comes to the debate about caged eggs, emphasis is often placed on animal welfare. Egg Farmers of Australia agree that excellent animal care practices are paramount for all of Australia's egg farmers. This is why - when a new set of national welfare standards and guidelines governing the care of farm animals is endorsed by the federal government – our organisation wants those rules mandatory on every egg farm.

Further to this, Egg Farmers of Australia support a cap on the current system of caged eggs. While the use of conventional cages, as they stand now, is able to continue, Egg Farmers of Australia has made a commitment that in the longer-term future there will be no new conventional cages added to the current egg production cycle within Australia. This rule will coincide with the introduction of the long-awaited Animal Welfare Standards and Guidelines, currently under government review. This action means that egg producers who are looking to expand their operations, need to do so by investing in new methods of egg production, other than conventional cages which are now in use. Unlike New Zealand, maintaining a cap on conventional cages is necessary, to ensure the continuation of a reliable and sustainable supply of eggs to Australian consumers, without generating chaos in the marketplace.

The other key point of this debate is that if the supermarket goliaths genuinely want to maintain a reliable supply of Australian-laid eggs, then they should be willing to pay more per egg to our farmers.

The next time you tuck into your bacon and eggs for breakfast, a baked muffin at smoko or a quiche during the day, consider the cost of producing each egg that goes into such dishes.

Grain to feed hens, water, electricity, wages, fuel, vet fees, and even the cardboard cartons that make it easier to transport and store your eggs, are all inputs that are paid for by farmers. The prices on shelves are decreasing, particularly for the non-cage segments.

As with the milk industry, the big supermarkets are largely to blame for stifling farm returns, when it comes to negotiating the price of eggs.

Absurdly, the Australian Competition and Consumer Commission (ACCC) does not allow our organisation to talk openly about how much each farmer receives per egg. The ACCC claims it would be colluding. It's an unfair rule. Because in doing so, the ACCC increases the supermarket's power to keep wholesale prices low, obstructing the ability of family-run egg farms to earn a fair living.

If, however, our multinational supermarket chains paid farmers a fairer margin for each egg they dispatch, then caged egg farmers would be in a better position financially, to examine new farming methods and opportunities into the future. As it stands today, a sudden ban on caged eggs would unfairly leave farmers with 'stranded assets'. What does this mean? Caged egg farming is a long term investment. Many farmers might take out 30-year bank loans to set up a viable caged production system. To close this system overnight – without compensation to pay off their bank debts – would be extremely unfair. To break it down, for ordinary Mums and Dads, such a move would be akin to being forced to bulldoze your family home – but still having to pay the mortgage afterwards for a building that no longer exists.

In conclusion, let's recap: according to the CSIRO, currently around 40% of all eggs sold in Australian supermarkets are caged. Therefore, it is not hard to work out that if caged eggs were removed from the shelf, retailers would never have enough eggs to satisfy consumer demand and the cost of a carton eggs would skyrocket beyond affordable means. To make up the shortfall, eating foreign imported eggs would need to be considered. This would pose significant health risks to your family and to Australian agribusiness.

As Aussie egg farmers, we ask that you hear us out and fully appraise all of the facts on the issue of caged eggs. The choice to buy caged, free-range or barn-laid eggs should be yours, not the retail giants.

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